

3rd Fiscal Period Report

August 1, 2011 ● January 31, 2012

Advance Residence Investment Corporation

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English Translation of Japanese Audited Statutory Report

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I would like to report on Advance Residence Investment Corporation's (ADR) performance for the six month fiscal period ended on January 31, 2012 (the 3rd Fiscal Period).

In this period, we achieved an extremely high period average occupancy rate of 96.4% for ADR's assets under management.

We replaced assets by acquiring 6 properties and disposing 5 properties. With these replacements we concluded that the asset replacements which we have been conducting since the establishment of ADR through a consolidation merger on March 1, 2010, have achieved the results we were aiming for in enhancing the profitability of the portfolio. We therefore decided to suspend further asset replacements beyond this fiscal period.

ADR issued its first investment corporation bonds since the merger in September 2011. Furthermore, ADR's board decided just before the end of the fiscal period to increase its capital through public offering by issuing new units.

In this public offering, ADR was able to raise 15.5 billion yen by issuing 120,000 units of new units (including 10,000 units by way of third-party allotment), bringing the number of units issued and outstanding to 1,100,000 units as of March 16. With the capital increase, we expect to lower LTV and strengthen revenue-generating capacity through the acquisition of 15 properties using the procured funds.

With the end of asset replacements and by conducting the 2nd public offering, we believe ADR to be in a new growth stage and decided on a new dividend payout policy. In this new payout policy, you will be able to enjoy increases in dividends if ADR has better than expected results.

ADR's unit price started the fiscal period at 163,300 yen and then underwent a series of decreases and increases every time various countries' fiscal policy issues resurfaced, such as Greece's debt crisis and the downgrading of the U.S. credit rating. The unit price hit the fiscal period low of 133,800 yen on November 25, 2011 and then recovered somewhat over the year-end to New Year. After the 2nd public offering announcement on January 12, 2012, the unit price returned to 137,500 yen at the end of the fiscal period.

The ex-rights price remains strong without falling below the public offering price as of March 16, 2012. We believe this strength reflects investors approval of ADR's growth strategy.

I would like to take this opportunity to sincerely thank you for your continued support.



高坂 健司

Kenji Kousaka
Executive Director, Advance Residence Investment Corporation
President, AD Investment Management Co., Ltd.



(Note) The Tokyo Stock Exchange REIT Index and the Tokyo Stock Exchange REIT Residential Index are re-indexed using ADR's March 2, 2010 unit closing price of 112,500 yen as the base.

Financial Highlights

3rd Fiscal Period Dividend

Dividend per unit **4,500 yen**

The actual number of days in the 3rd Fiscal Period is 184 days, from August 1, 2011 to January 31, 2012.

4th/5th Fiscal Period Dividend Forecast **4,500 yen** per unit (forecast as of March 16, 2012)

The 4th Fiscal Period is from February 1, 2012 to July 31, 2012.

The 5th Fiscal Period is from August 1, 2012 to January 31, 2013.

Strengthening of Revenue Base through Replacement of Properties

Acquisition assets

6 properties **12,560 million yen*** NOI yield **6.1%**

* Amounts are the sum of ADR's original acquisition prices of the assets.

Disposition assets

5 properties **5,209 million yen*** NOI yield **4.5%**

Strengthening of Financial Base

Diversification of procurement means through issuance of investment corporation bonds

Issued investment corporation bonds of **10 billion yen** on September 12, 2011

Extended remaining term to maturity of interest-bearing debts

2nd Fiscal Period
1.71 years

3rd Fiscal Period
2.52 years

History

3rd Fiscal Period (August 1, 2011 - January 31, 2012)

External Growth	Acquired 6 properties (acquisition price total: 12,560 million yen) Sold 5 properties (original acquisition price total: 5,209 million yen)
Internal Growth	Average period occupancy rate: 96.4%
Dividend	4,500 yen per unit
January 12, 2012	Passed resolution for the second time after the merger to raise capital through public offering and decided to acquire 15 properties (acquisition price total: 23,470 million yen) using the funds procured. In the 2 nd public offering 120,000 units are issued bringing the number of units issued and outstanding as of March 16, 2012 to 1,100,000 units.
October 25, 2011	Credit rating agency Rating and Investment Information, Inc. (R&I) upgraded ADR's issuer rating from "A" to "A+".
September 12, 2011	Issued investment corporation bonds totaling 10,000 million yen (breakdown: 5-year bond in the amount of 8,000 million yen and 7-year bond in the amount of 2,000 million yen) for the first time since the merger. This issue was also the first J-REIT bond issuance since the Great East Japan Earthquake.

2nd Fiscal Period (February 1, 2011 - July 31, 2011)

External Growth	Acquired 9 properties (acquisition price total: 12,237 million yen) Sold 13 properties (original acquisition price total: 16,044 million yen)
Internal Growth	Average period occupancy rate: 96.2%
Dividend	4,500 yen per unit
July 26, 2011	Acquired "AA-" rating for ADR's senior long-term debt from credit rating agency Japan Credit Rating Agency, Ltd. (JCR)
June 15, 2011	All collateral on loans released.
June 15, 2011	Moody's upgraded ADR's unsecured long-term debt rating from "Baa3" to "Baa1".

1st Fiscal Period (March 1, 2010 - January 31, 2011)

External Growth	Acquired 6 properties (acquisition price total: 10,467 million yen) Sold 18 properties (original acquisition price total: 18,134 million yen)
Internal Growth	Average period occupancy rate: 95.0%
Dividend	8,250 yen per unit (6-month equivalent: 4,500 yen)
June 30, 2010	Credit rating agency Moody's Japan K.K. (Moody's) upgraded ADR's unsecured long-term debt rating from "Ba1" to "Baa3".
June - July 2010	Raised capital through its first public offering after the merger which was also the first public offering among merged REITs (The number of units issued and outstanding after the offering: 980,000 units). 6 properties (sum total of acquisition price: 10,467 million yen) were acquired using the procured funds in July 2010.
March 2, 2010	Listed on Real Estate Investment Trust (REIT) Securities Section of Tokyo Stock Exchange, Inc. (TSE) with number of units issued and outstanding of 722,306 units (Securities Code: 3269).
March 1, 2010	Established through consolidation-type merger between former Advance Residence Investment Corporation and Nippon Residential Investment Corporation (NRI).

Management's Discussion and Analysis

1. Summary of Selected Financial Data

	Fiscal period		Unit	1 st Fiscal Period March 1, 2010 to January 31, 2011	2 nd Fiscal Period February 1, 2011 to July 31, 2011	3 rd Fiscal Period August 1, 2011 to January 31, 2012
Operating results	Total revenues		million yen	20,906	11,345	11,259
	Rental revenue	a	million yen	20,881	11,345	11,252
	Gain on real estate sales	b	million yen	24	—	—
	Total operating expenses		million yen	13,491	7,892	5,275
	Rental business expenses	c	million yen	7,641	4,199	4,202
	Loss on real estate sales	d	million yen	2,940	2,000	7
	Impairment loss	e	million yen	567	739	—
	Operating income		million yen	7,414	3,453	5,984
	Ordinary income	f	million yen	3,414	1,465	3,998
	Net income	g (Note 2)	million yen	46,738	1,404	3,997
Balance sheet figures	Total assets	h	million yen	355,990	349,158	356,891
	Interest-bearing liabilities	i	million yen	186,390	186,639	195,002
	Net assets	j	million yen	164,458	157,827	157,428
	Paid-in Capital	k	million yen	64,561	64,561	64,561
Per unit figures	Total dividends	l	million yen	8,085	4,410	4,410
	Payout ratio	l/g	%	17.3	313.9	110.3
	Total number of units issued and outstanding	m	units	980,000	980,000	980,000
	Net assets per unit	j/m	yen	167,814	161,048	160,640
	Net income per unit	g/m (Note 2 and 3)	yen	52,673	1,433	4,079
	Dividend per unit	l/m	yen	8,250	4,500	4,500
	Dividend from earnings per unit		yen	8,250	4,500	4,500
	Dividend in excess of earnings per unit		yen	—	—	—
	Annualized dividend yield	(Note 4)	%	5.2	5.6	6.5
Financial indicators	Return on investment (paid-in capital)	$(g+q)/(k+i)$ (Note 4)	%	21.7	2.6	4.5
	Return on investment (market capitalization)	$(g+q)/(m \times r+i)$ (Note 4)	%	15.3	1.9	3.5
	FFO per unit	$(g-b+d+e+q)/m$ (Note 2)	yen	54,879	6,161	6,025
	Annualized	n (Note 2 and 4)	yen	59,438	12,425	11,953
	FFO multiple	r/n	times	2.9	13.1	11.5
	Ratio of ordinary income to total assets	f/h (Note 5)	%	1.0	0.4	1.1
	Annualized	(Note 4)	%	1.0	0.8	2.2
	Ratio of net assets to total assets	j/h	%	46.2	45.2	44.1
	Ratio of net income to equity	g/j (Note 6)	%	36.8	0.9	2.5
	Annualized	(Note 4)	%	39.8	1.8	5.0
	Ratio of interest-bearing liabilities to total assets	i/h	%	52.4	53.5	54.6
	DSCR	o/p	times	17.1	3.0	4.6
	Net income before interest and depreciation	o	million yen	53,425	4,912	7,525
	Interest expenses	p	million yen	3,126	1,614	1,627
	NOI from property leasing	a-c+q (Note 7)	million yen	16,799	9,038	8,949
	Annualized NOI yield	(Note 4 and 8)	%	5.3	5.3	5.2
	Depreciation and amortization	q (Note 9)	million yen	3,559	1,893	1,900
	Unit price at end of period	r	yen	172,300	162,200	137,500

- Notes 1. Total revenues do not include consumption taxes. Amounts are rounded down to the nearest specified unit. Percentage figures are rounded to one decimal place.
2. The net income for the 1st Fiscal Period operating period includes 43,281 million yen in one-time posting of gain on negative goodwill as extraordinary income.
3. The net income per unit was calculated by dividing net income by the daily weighted average number of units issued and outstanding.
4. In annualizing, the annualized figures are calculated based on 1 year being 365 days, with the actual days in each period being 337 days for the 1st Fiscal Period, 181 days for the 2nd Fiscal Period and 184 days for the 3rd Fiscal Period.
5. Ratio of ordinary income to total assets = Ordinary income ÷ {(Total assets at beginning of period + Total assets at end of period) ÷ 2} × 100
6. Ratio of net income to equity = Net income ÷ {(Net assets at beginning of period + Net assets at end of period) ÷ 2} × 100
7. In the calculation of NOI property leasing, only the depreciation and amortization included in expenses related to rental business is added.
8. Annualized NOI yield = Annualized NOI ÷ Property acquisition prices
(The annualized NOI are the sum of annualized per property NOI by taking into account the actual number of days of operation.)
9. Depreciation and amortization includes depreciation and amortization of intangible assets in addition to depreciation of property, plant and equipment.

2. Investment Environment and Operating Performance

Basic Management Policy

ADR's basic management policy is

“realization of stable distribution of earnings over the long term.”

For the medium term, ADR aims to build a revenue structure with the capacity to secure dividend per unit of 4,500 yen within the range of net income without drawing down on the reserve for dividends generated from the gain on negative goodwill.

Summary of Results

In order to realize the basic management policy stated above, we carried out each of the following measures for external growth, internal growth and financial strategy raised at the end of the previous fiscal period as initiatives to be addressed in this fiscal period. As a result, we are able to report to you that ADR earned net income per unit of 4,079 yen.

- External growth:** Enhance the portfolio's profitability by replacing assets according to the investment guideline
- Internal growth:** Improve profitability by maintaining high occupancy rates while obtaining key money and reducing advertising expenses and continue reducing management costs by leveraging economies of scale which we obtained due to the merger
- Financial strategy:** Lower financing costs, increase fixed interest rate debts and extend and diversify debt maturities

The net income per unit exceeded the forecast by 75 yen. This was because we were able to increase assets under management by acquiring properties and maintained occupancy above the forecast assumption level. The increase in revenue enabled us to offset the public offering expenses and the larger than expected repairs and maintenance costs.

We will payout 4,500 yen per unit dividend as forecast by drawing down 412 million yen from the reserve for dividends (post-drawdown balance: 35,236 million yen) to supplement the net income of 3,997 million yen.

Operating Performance		(year-on-year)
Operating revenue	11,259 million yen	(-0.8%)
Operating income	5,984 million yen	(+73.3%)
Ordinary income	3,998 million yen	(+172.8%)
Net income	3,997 million yen	(+184.5%)
Net income per unit	4,079 yen	
Dividend per unit	4,500 yen	



External Growth

Increasing Portfolio's Profitability through Asset Replacements

During this fiscal period, we acquired 6 properties (acquisition price total: 12,560 million yen) and sold 5 properties (original acquisition price total: 5,209 million yen) as shown in the table below.

	Properties Acquired	Properties Sold
Primary area/type	Mostly single type	Low yielding or old
Number of properties	6 properties	5 properties
Acquisition price total	12,560 million yen	5,209 million yen
Transaction price total (excluding ancillary expenses) (a)	12,560 million yen	4,497 million yen
Appraisal value total (b)	13,610 million yen	4,847 million yen
Transaction price compared to appraisal (a) ÷ (b) × 100%	92.3%	92.4%
Weighted average NOI yield	6.1%	4.5%
Weighted average building age	4.8 years	9.9 years

The asset replacement we executed this period will have a positive impact in improving the profitability of the portfolio, because the properties we acquired consist of mostly single type units which are high yielding and have stable performances. And properties we sold are mostly low yielding and old, therefore have a downside risk in revenue going forward.

At the end of this period, the NOI yield for the entire portfolio (excluding the income from properties sold during the period) is 5.3%, an improvement over the 5.2% yield at the time of the merger.

The share of properties located within the Tokyo 23 Wards has remained pretty much unchanged from the 76% at the time of the merger to 77% as of the end of this fiscal period. This shows that we improved the yield of the portfolio by being very selective on what we acquire, not by increasing the share of high yielding regional properties.

With this result, we decided to suspend further large scale asset replacements that we have been conducting since the 1st Fiscal Period because we believe that we have reached the goal of this program.

Properties Acquired during the 3rd Fiscal Period



P-89 RESIDIA TOWER Nakameguro



C-54 RESIDIA Tsukishima III



C-55 RESIDIA Minamisenjyu



C-56 RESIDIA Ogikubo



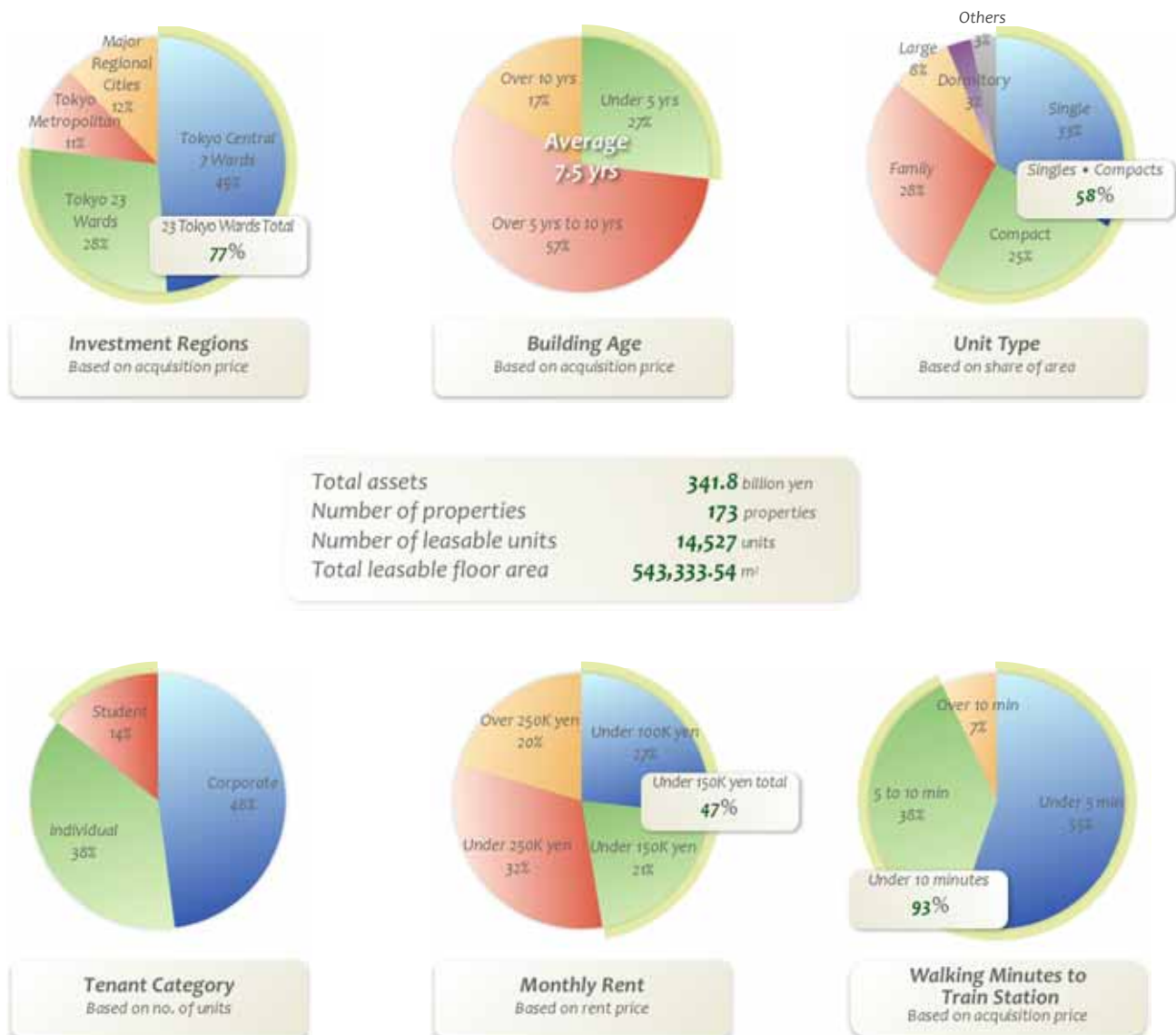
R-39 RESIDIA Edobori



R-40 RESIDIA Kyomachibori

Portfolio Overview

The following is the overview of ADR's portfolio as of the end of the fiscal period.



* Percentage figures are rounded to the nearest whole number. Accordingly, the percentage figures shown do not necessarily add up to 100%.

Acquisition of 15 Properties

On January 12, 2012 we decided to acquire 15 properties using the funds raised from the 2nd public offering kicking off our external growth strategy switch from focusing on asset replacement to focusing on asset growth.

Changes in portfolio	Before the 2 nd public offering	Acquisition assets	After the 2 nd public offering
Number of properties	173 properties	+ 15 properties	→ 188 properties
Asset size	341.8 billion yen	+ 23.4 billion yen	→ 365.2 billion yen

Please refer to “6. Significant Subsequent Events; 1) Acquisition of Assets,” which can be found later in this document on page 17, for details of the 15 properties acquired.

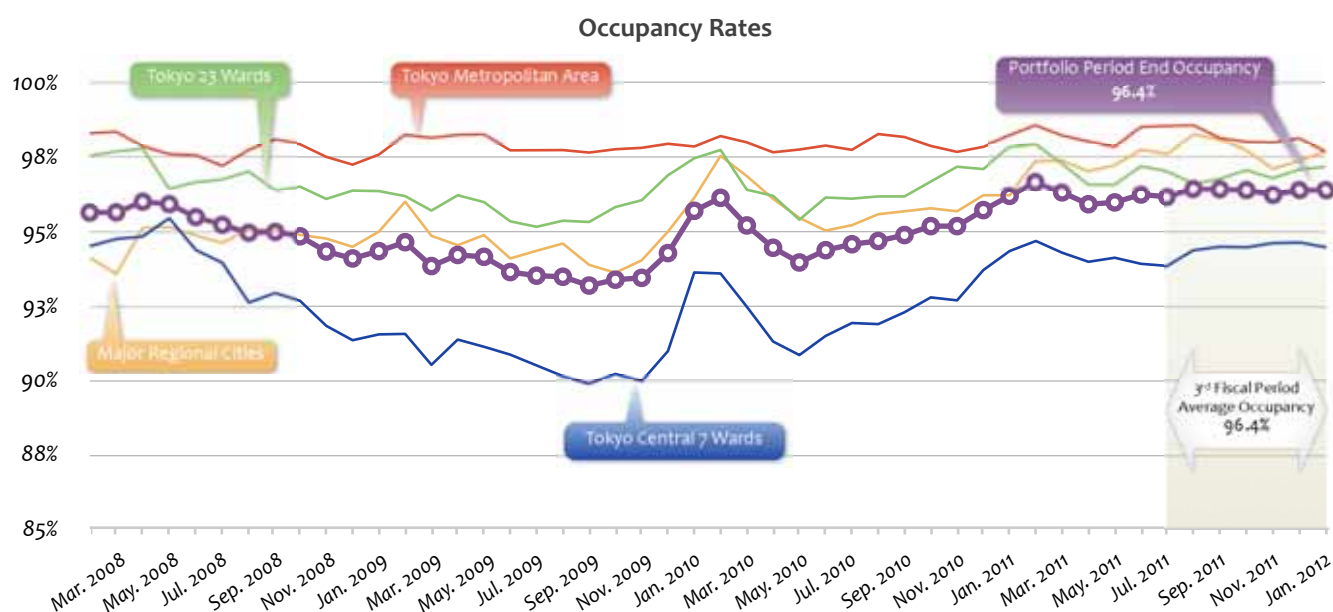
Internal Growth

High Occupancy Rates – Average Period Occupancy Rate: 96.4% –

During the fiscal period, we were able to maintain the month-end occupancy rates consistently above 96%. Consequently, we were able to achieve a fiscal period average occupancy rate of 96.4%, beating the initial guideline forecast of 95.8% by a wide margin. We were even able to improve the average occupancy rate of properties within the Tokyo Central 7 Wards ^(Note), where underperforming high-rent properties are concentrated. The occupancy rate improved from 94.2% for the previous fiscal period to 94.4% for this fiscal period.

We were able to maintain the high occupancy because we granularly monitored the market trends and flexibly and quickly offered rent terms that are in line with the market.

(Note) For the definition of "Tokyo Central 7 Wards," please refer to "Assets Under Management; 1. Composition of the Investment Corporation's Assets" found later in this document.



Rent Trends

The rate of fall of rent is decelerating and showing clear signs of bottoming out. The monthly rents of leasable units that were both occupied at the beginning and end of the fiscal period, fell 0.97% two fiscal periods ago, 0.53% for the previous period and 0.43% for this period. And, properties requiring rent discounts are getting limited to large residential units in certain specific areas of the Tokyo Central 7 Wards. On the other hand, we are seeing spots of higher rents indicating a sign of recovery in the rental market.

	Number of units	Previous total monthly rent	New total monthly rent	Amount of change	% change
Tenant replacements	684 units	110 million yen	106 million yen	- 3 million yen	- 3.60%
Contract renewals	1,091 units	160 million yen	159 million yen	- 1 million yen	- 1.11%
Other	11,319 units	1,385 million yen	1,383 million yen	- 1 million yen	- 0.11%
Total	13,094 units	1,656 million yen	1,649 million yen	- 7 million yen	- 0.43%

Key Money Income and Leasing Related Expenses

For properties that have high occupancy, we pursued to see how much we can increase the key money income and reduce advertisements and other leasing related expenses without negatively affecting the occupancy.

Although the average number of months of advertising expenses increased by 0.03 months from a year ago to 1.18 months, we were able to increase the average number of months of key money income by 0.07 months from a year ago to 0.37 months, achieving a net improvement of 0.04 months in total.

Other Cost Cutting Measures

We have been leveraging the economies of scale brought on by the merger to reduce various asset and fund management costs. We achieved reducing a total of 197 million yen in annualized costs since the merger.

During this fiscal period, we initiated replacing communal area lighting to LED lighting in a limited number of properties where we can expect a reduction in running costs. Combined with other cost reduction measures detailed in the following table, the total annualized cost reduction was 57 million yen for this period.

Items	2 nd Fiscal Period (Fiscal period ended July 2011)	3 rd Fiscal Period (Fiscal period ended January 2012)	Total since the merger
Property management fees	14 million yen / year	7 million yen / year	56 million yen / year
Custodian fees	11 million yen / year	12 million yen / year	35 million yen / year
Building management fees	9 million yen / year	31 million yen / year	48 million yen / year
Electricity bill for communal area (including LED lighting replacement)	-	6 million yen / year	12 million yen / year
Appraisal fees	-	-	39 million yen / year
Property insurance fees	-	-	5 million yen / year
Total	35 million yen / year	57 million yen / year	197 million yen / year

Upgrades and Renovations

We continually upgrade and renovate our properties to remain competitive. During this period, upgrades and renovations that cost over one million yen per project were conducted in 23 properties totaling 180 million yen. The pictures below show an example of the renovation work we have done this period.



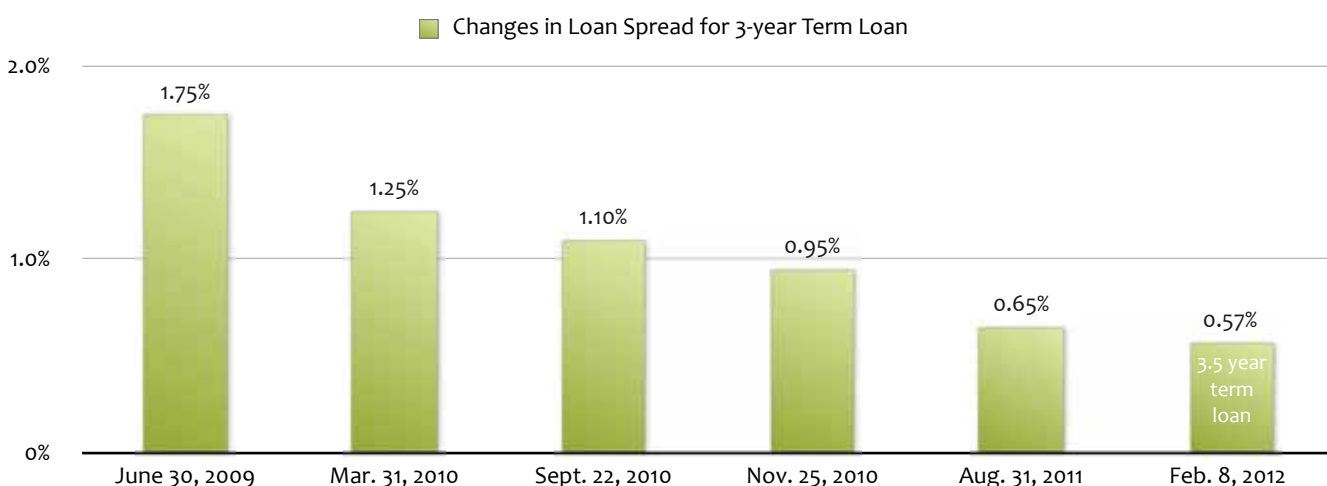
Financial Strategy

We continued our efforts in strengthening ADR's financial standing by reducing financial costs through lower loan spreads, reducing financial risk through increasing the share of fixed interest rate debts and lengthening as well as diversifying the maturities of debts.

The loan to value (LTV, calculated as the ratio of interest bearing liabilities to total assets) at the end of the fiscal period was 54.6%. We expect the LTV to be lowered to 53.5% at the end of the next fiscal period due to the increase of capital from the 2nd public offering. We calculated the LTV at the end of the next fiscal period by dividing the estimated outstanding interest-bearing liabilities at the end of the next fiscal period by the estimated total assets at the end of the next fiscal period, which in turn is derived by adding the 15 properties that ADR acquired after the end of this fiscal period to the total assets at the end of this fiscal period.

Financial Cost Reduction

We saw a decrease in financial costs (interest payments and other financing expenses) of 37 million yen in this fiscal period compared to last. This was due to (a) Decrease in agent fees and other financing-related expenses due to the release of all collateral on loans, (b) Decline in the loan spread mainly due to upgrading of ADR's credit rating and (c) The stable financial market which kept the interest rate low. The annualized rate of average financing costs ^(Note) for the fiscal period also fell from the previous fiscal period's 2.1% per annum to 2.0% in this fiscal period.



(Note) Annualized rate of average financing costs for the fiscal period is calculated by annualizing the following, financing costs incurred during the fiscal period (interest payments and other financing expenses) divided by the average outstanding interest-bearing liabilities during the fiscal period.

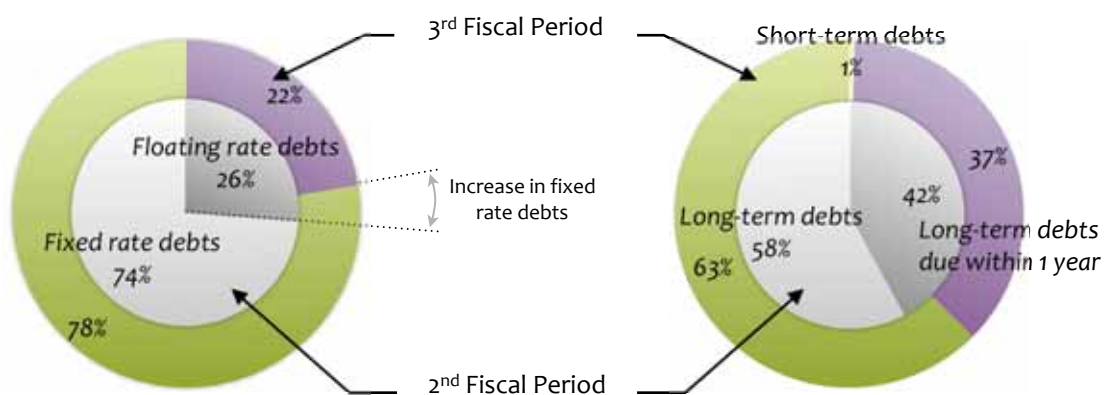


Increasing Fixed Interest Rate Debts, Lengthening and Diversifying Debt Maturities

We were able to increase the share of fixed rate debts ^(Note 1) within the long-term interest-bearing debts ^(Note 2) from 74% at the end of previous period to 78% at the end of this fiscal period.

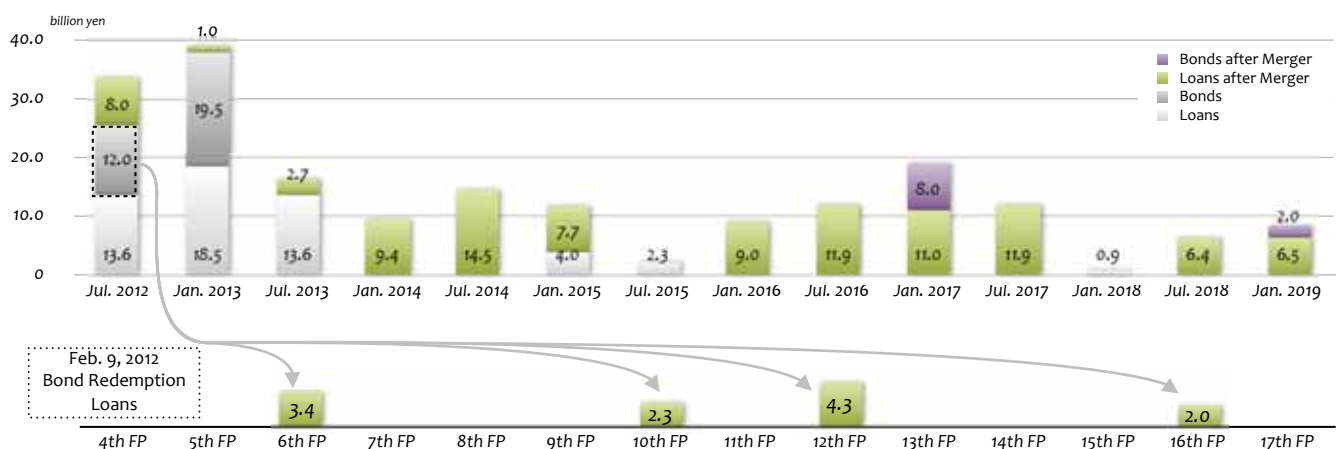
The share of interest-bearing debts with remaining term to maturity longer than one year ^(Note 3) increased from 58% at the end of the previous fiscal period to 63% at the end of this fiscal period, and the average remaining term to maturity was also lengthened from 1.71 years at the end of the previous fiscal period to 2.52 years at the end of this fiscal period.

Increase in Fixed Interest Rate Debts and Longer Debt Maturities



* Percentage figures are rounded to the nearest whole number. Accordingly, the percentage figures shown do not necessarily add up to 100%.

Lengthening and Diversifying Debt Maturities



- Notes
1. Fixed-rate debts are loans or investment corporation bonds with fixed interest rate, or floating rate loans or floating rate investment corporation bonds which have their interest rate fluctuations hedged using interest rate swap agreement or interest rate cap agreement.
 2. Long-term interest-bearing debts are those with loan terms at drawdown or term to maturity at issuance of investment corporation bonds longer than one year.
 3. Interest bearing debts with remaining term to maturity longer than one year at the end of 3rd fiscal period.
 4. The charts above represent the debt maturity ladder as of the end of the 3rd fiscal period. However, amortizations are omitted.

Issuance of Investment Corporation Bonds

As a result of having all collateral on ADR's loans released on June 15, 2011, we were able to issue on September 12, 2011 our first investment corporation bond after the merger to refinance NRI Bond #9 (unsecured) which matured on September 13, 2011. The total issue amount was 10 billion yen (8 billion yen 5-year bond and 2 billion yen 7-year bond) and it was also the first bond issue for J-REITs since the Great East Japan Earthquake.

The following are outstanding issues of investment corporation bonds as of the end of this fiscal period.

Name of the issue (Note 1)	Issue date	Redemption date	Balance	Coupon rate (Note 2)
ADR Bond #2 (Unsecured)	Nov. 21, 2007	Nov. 21, 2012	5,000 million yen	2.03%
NRI Bond #3 (Unsecured)	Sept. 26, 2005	Sept. 24, 2012	9,700 million yen	1.28%
NRI Bond #7 (Unsecured)	Feb. 9, 2007	Feb. 9, 2012	12,000 million yen	1.84%
NRI Bond #10 (Unsecured)	Sept. 13, 2007	Sept. 13, 2012	4,800 million yen	1.90%
ADR Bond #13 (Unsecured)	Sept. 12, 2011	Sept. 12, 2016	8,000 million yen	1.27%
ADR Bond #14 (Unsecured)	Sept. 12, 2011	Sept. 12, 2018	2,000 million yen	1.68%
Total			41,500 million yen	

Notes 1. The bonds come with *Pari Passu* clause among specified investment corporation bonds.

2. "Coupon rate" is rounded to two decimal places.

Credit Rating Upgrade

The credit rating agency, R&I upgraded ADR's issuer rating from "A" to "A+" on October 25, 2011 in recognition of the progress made in diversification of financing means through the issuance of investment corporation bonds in September 2011 and the consequent lengthening of average maturities of interest-bearing debts. The following is the credit ratings as of the end of the respective fiscal periods.

Name of credit rating agency	2 nd Fiscal Period (Fiscal period ended July 2011)	3 rd Fiscal Period (Fiscal period ended January 2012)	Change
Japan Credit Rating Agency, Ltd.	Senior long-term debt rating: AA- (Stable)	Senior long-term debt rating: AA- (Stable)	-
Rating and Investment Information, Inc.	Issuer rating: A (Stable)	Issuer rating: A+ (Stable)	Upgraded
	Individual long-term debt rating: A	Individual long-term debt rating: A	-
Moody's Japan K.K.	Unsecured long-term debt rating: Baa1	Unsecured long-term debt rating: Baa1	-

Amendment of Commitment Line Agreement – Increase in Amount of Revolving Line of Credit –

On January 20, 2012, amendment was made to the commitment line agreement to increase the revolving line of credit from 13.0 billion yen to 20.0 billion yen with an aim to secure financial stability and ensure flexible and timely procurement of funds.

The effective date of the agreement is February 1, 2012.

3. Management Policies and Challenges to be Addressed

Management Environment Outlook

☐ Financial Market

With the debt crisis in Greece and other parts of Europe driving investors towards “Risk-off” trades, J-REITs have seen their unit prices sag since the later half of last year. However, over the year-end to New Year investors have been returning and with the four public offerings by J-REITs including ADR’s, capital markets seems to be in recovery.

In the loan market, interest rates are being kept low, with the quantitative easing policies taken by major countries to guard against the negative impact of the debt and fiscal crisis. On top of that, Japanese general businesses continue to lack demand for cash. In this environment lenders continue to be inclined to lend to J-REITs.

☐ Real Estate Transaction Market

Although there are signs of major developers retuning to develop new rental housings, it has not been enough to alleviate the shortage of investment grade housing caused by the lack of new developments after the *Lehman Shock*. Acquiring quality rental housings which have been recently built continues to be very difficult.

In such an environment, real estate prices have risen and cap rates have declined. But we do not expect the cap rate to continue declining going forward, since we feel the housing prices are already rather expensive.

☐ Rental Housing Market

With the exception of high-rent residential units targeting “Expats” in central Tokyo, occupancy rates of residential J-REITs have been generally very high due to the fact that rent adjustments for the past few years have narrowed the rent gap.

Notably, we even see some rent rises in Single type units located in the peripheral areas of central Tokyo.

While we expect the demand for high-rent residential units targeting “Expats” to continue to be weak, rents look to be bottoming out.



P-73 RESIDIA Shibaura - Pilotis

Management Policies and Challenges

To realize our goal of “stable distribution of earnings over the long-term”, we have set our medium-term target of reaching earnings per unit of 4,500 yen. To achieve this target under aforementioned management environment, ADR will continue to carry out external growth, internal growth and financial strategy under the following policies.

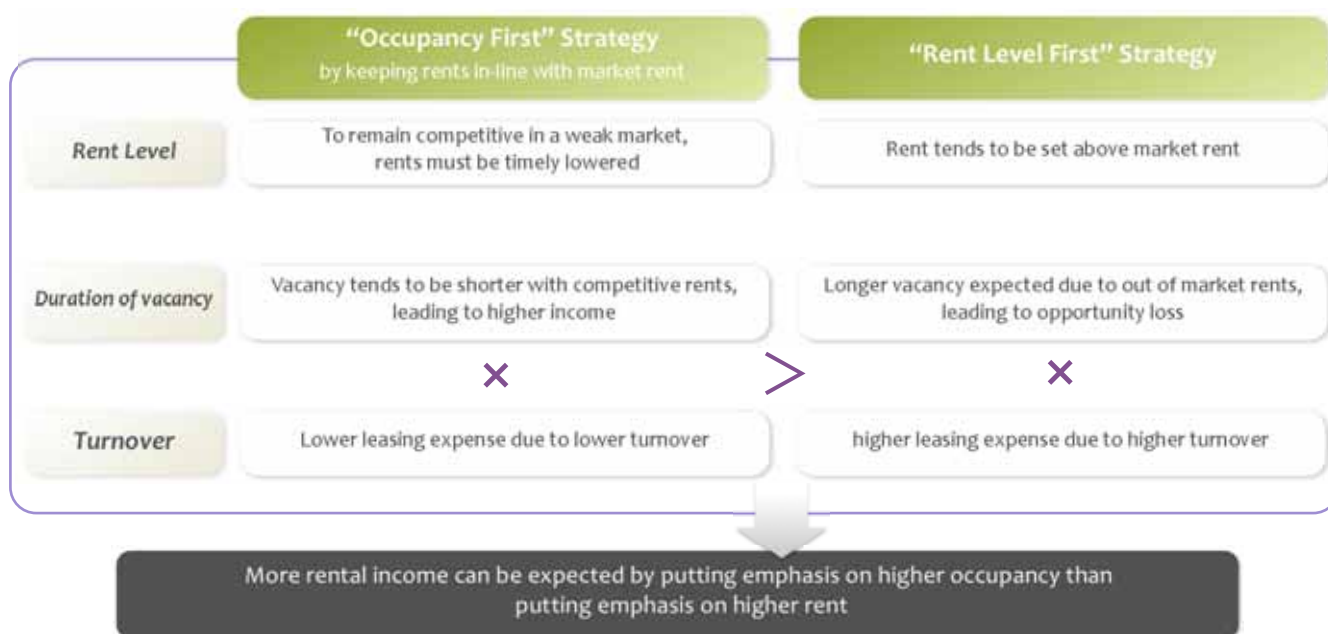
External Growth Policy

ADR will aim to improve the profitability of the portfolio through external growth, while maintaining the current geographical distribution of investment by selectively acquiring high yielding properties.

We will acquire properties in a timely and appropriate manner by utilizing diverse means of sourcing, including warehousing (acquisition and temporary holding by sponsors), arranging bridge funds and sourcing from open market, in addition to acquiring properties from sponsors.

Internal Growth Policy

We will continue to take an “Occupancy First” strategy in leasing, because we believe it will earn more income in the current environment as described in the following chart.



Especially for high-rent properties targeting “Expats”, flexible rent-terms will be a priority in stabilizing the revenue. On the other hand, for properties with firm rent and high occupancy, we will try to increase rental income through every possible means, such as increasing key money income and reducing advertising expenses.

In addition, we will continue to invest 200 million to 300 million yen per fiscal period in upgrades and renovations to maintain the properties competitiveness which deteriorate with age.

Strengthening Financial Standing

We will continue to reduce financing costs, increase fixed interest rates debts, lengthen and diversify debt maturities to extend the stable financial standing we were able to establish in the previous periods through release of all collaterals on loans and credit rating upgrades.

In particular, we expect the effect of the above effort will start contributing to the bottom line in the next two fiscal periods where we have our peak of debt refinancing.

New Payout Policy

Since the Merger, we have steadily executed various external growth, internal growth and financial strategy measures aimed at reaching earnings per unit of 4,500 yen.

As a result, despite temporary decreases in actual net income due to one-time losses on sales, we believe that the underlining net income (as measured on assumption that properties held are operated throughout the period) has improved and that we have made progress in strengthening the portfolio's profitability.

In light of this achievement and after the completion of the 2nd public offering, we believe ADR to be in a new growth stage and have decided on a new payout policy for the 4th Fiscal Period and onwards.

Overview of the New Payout Policy

Under the new payout policy, dividends will continue to be stabilized using the reserve for dividends as before, but when we judge the period's performance to have outperformed the initial forecast of the period, we will accordingly increase the dividend. The judgement of outperformance will be made through comprehensive consideration of such factors as how much the earnings per unit has beaten the initial guideline forecast published in the previous fiscal period's "kessan tanshin" (a Japanese preliminary financial report), rent trends and portfolio occupancy, amount of cash reserves, level of LTV, cost of finance and outstanding amount of reserve for dividends.

The following illustrates a simplified scenario of how the amount of dividend will be decided, if there were only differences between the guideline forecast earnings and actual earnings result to consider.

For example, if the guideline forecasts in the "kessan tanshin" are:

- Earnings per unit of **100** yen;
- Drawdown of reserve for dividends per unit of **50** yen; and
- Dividend per unit of **150** yen.

In the case of actual results beating the forecast

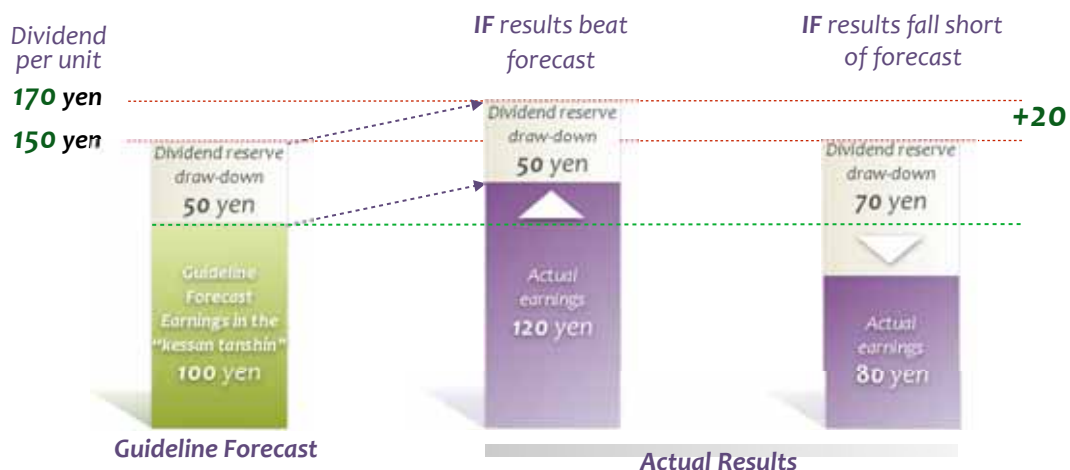
If the actual earnings per unit is 120 yen:

The actual earnings beats the forecast by **20** yen, **20** yen will be added to the dividend forecast of **150** yen, making the dividend amount to be proposed to ADR's board to be **170** yen.

In the case of actual results falling short of the forecast

If the actual net income per unit is 80 yen:

The actual earnings fall short of the forecast by **20** yen, to stabilize the dividend, drawdown is increased by **20** yen to **70** yen, making the dividend amount to be proposed to ADR's board to be **150** yen.



4. Equity Finances

The following are changes in paid-in capital and number of units issued and outstanding over the last 5 years.

Date	Description	Number of units issued and outstanding (units)		Paid-in capital (million yen)		Notes
		Increase	Balance	Increase	Balance	
March 1, 2010	Consolidation-type merger	722,306	722,306	36,262	36,262	(Note 1)
June 28, 2010	Public offering	240,000	962,306	26,355	62,618	(Note 2)
July 30, 2010	Third-party allotment	17,694	980,000	1,943	64,561	(Note 3)

- Notes 1. ADR was established through the consolidation-type merger between former Advance Residence Investment Corporation (the “former ADR”) and Nippon Residential Investment Corporation (NRI) on March 1, 2010. Upon its establishment, ADR allotted and delivered 3 ADR units per 1 former ADR unit and allotted and delivered 2 ADR units per 1 NRI unit.
2. ADR issued new units through public offering at an issue price of 113,684 yen (issue amount: 109,816 yen) per unit to procure funds for new property acquisitions as well as fund part of the repayment of loans and redemption of investment corporation bonds.
3. ADR issued new units by way of third-party allotment with Mizuho Securities Co., Ltd. as the allottee at an issue amount of 109,816 yen per unit to procure funds for new property acquisitions as well as fund part of the repayment of loans and redemption of investment corporation bonds.
4. ADR increased its capital through public offering on February 1, 2012 and increased its capital by way of third-party allotment on February 29, 2012. Please refer to “6. Significant Subsequent Events,” which can be found later in this document, for details.

Market Price of Units

The following are the highs and lows of ADR’s unit’s closing prices on the Tokyo Stock Exchange.

Fiscal period	1 st Fiscal Period	2 nd Fiscal Period	3 rd Fiscal Period
Fiscal period end	Fiscal period ended January 2011	Fiscal period ended July 2011	Fiscal period ended January 2012
High	185,300 yen	173,500 yen	162,500 yen
Low	111,500 yen	139,900 yen	134,000 yen

5. Distribution to Unitholders

In accordance with the distribution policy provided in Article 32, Item 1 of ADR’s Articles of Incorporation, dividends for the fiscal period under review (3rd Fiscal Period) shall be in excess of an amount equivalent to 90% of the amount of ADR’s earnings available for dividends as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In addition, in order to make stable dividend payouts into the future, ADR shall use reserve for dividends and absorb the impact on dividends in the event of loss on sales (impairment) of properties as well.

Based on the policy above, ADR decided that the unappropriated retained earnings of 3,997,454 thousand yen plus reversal of reserve for dividends of 412,545 thousand yen to arrive at 4,410,000 thousand yen will be distributed as dividends of earnings, and declared a dividend per unit of 4,500 yen.

Fiscal period	1 st Fiscal Period	2 nd Fiscal Period	3 rd Fiscal Period
Operating period	From: Mar. 1, 2010 To: Jan. 31, 2011	From: Feb. 1, 2011 To: July 31, 2011	From: Aug. 1, 2011 To: Jan. 31, 2012
Total amount of unappropriated retained earnings	46,738,646 thousand yen	1,404,952 thousand yen	3,997,454 thousand yen
Accumulated amount of earnings	38,653,653 thousand yen	35,648,605 thousand yen	35,236,060 thousand yen
Total amount of dividends of cash (Dividend per unit)	8,085,000 thousand yen (8,250 yen)	4,410,000 thousand yen (4,500 yen)	4,410,000 thousand yen (4,500 yen)
Of which, total amount of dividends of earnings (Dividend of earnings per unit)	8,085,000 thousand yen (8,250 yen)	4,410,000 thousand yen (4,500 yen)	4,410,000 thousand yen (4,500 yen)
Of which, total amount of capital reimbursement (Capital reimbursement per unit)	– thousand yen (– yen)	– thousand yen (– yen)	– thousand yen (– yen)

6. Significant Subsequent Events

1) Acquisition of Assets

ADR acquired the following assets in accordance with the basic policy for asset management provided in ADR's Articles of Incorporation and other policies.

- | | |
|---|--|
| <p>(i) RESIDIA Sasazuka II</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 3,760 million yen</p> <p>Acquisition date: February 24, 2012</p> <p>Location: 2-25-6 Sasazuka, Shibuya-ku, Tokyo</p> <p>Area: (Land) 1,217.79m²; (Building) 5,504.20m²</p> <p>Structure: RC with flat roof; 15F</p> <p>Completion date: January 2011</p> | <p>(vi) RESIDIA Minami-Gyotoku</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 823 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 2-7-18 Ainokawa, Ichikawa-shi, Chiba</p> <p>Area: (Land) 941.00m²; (Building) 2,258.62m²</p> <p>Structure: RC with flat roof; 5F</p> <p>Completion date: February 2005</p> |
| <p>(ii) RESIDIA Monzennakacho</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 970 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 2-36-4 Eitai, Koto-ku, Tokyo</p> <p>Area: (Land) 367.12m²; (Building) 1,680.27m²</p> <p>Structure: SRC with flat roof; 11F</p> <p>Completion date: February 2005</p> | <p>(vii) RESIDIA Urayasu II</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 802 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 2-22-7 Kitazakae, Urayasu-shi, Chiba</p> <p>Area: (Land) 901.00m²; (Building) 1,651.93m²</p> <p>Structure: RC with flat roof; 6F</p> <p>Completion date: February 2005</p> |
| <p>(iii) RESIDIA Nakamurabashi</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 1,075 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 3-14-6 Nakamura, Nerima-ku, Tokyo</p> <p>Area: (Land) 527.96m²; (Building) 1,639.30m²</p> <p>Structure: RC with flat roof; 8F</p> <p>Completion date: February 2008</p> | <p>(viii) RESIDIA Gyotoku</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 761 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 4-13-22 Gyotoku-Ekimae, Ichikawa-shi, Chiba</p> <p>Area: (Land) 810.00m²; (Building) 1,756.33m²</p> <p>Structure: RC with flat roof; 6F</p> <p>Completion date: February 2005</p> |
| <p>(iv) RESIDIA Kachidoki</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 1,805 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 4-2-11 Kachidoki, Chuo-ku, Tokyo</p> <p>Area: (Land) 403.46m²; (Building) 3,447.18m²</p> <p>Structure: RC with flat roof; B1F/12F</p> <p>Completion date: February 2008</p> | <p>(ix) RESIDIA Nishijin</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 2,380 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 4-6-12 Nishijin, Sawara-ku, Fukuoka-shi, Fukuoka</p> <p>Area: (Land) 1,944.05m²; (Building) 9,233.43m²</p> <p>Structure: RC with flat roof; 14F</p> <p>Completion date: January 2008</p> |
| <p>(v) RESIDIA Kinshicho III</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 651 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 1-6-14 Mouri, Koto-ku, Tokyo</p> <p>Area: (Land) 375.75m²; (Building) 1,412.90m²</p> <p>Structure: RC with flat roof; 8F</p> <p>Completion date: February 2005</p> | <p>(x) RESIDIA Tsurumai</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 1,206 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 3-3-8 Chiyoda, Naka-ku, Nagoya-shi, Aichi</p> <p>Area: (Land) 661.98m²; (Building) 3,389.13m²</p> <p>Structure: RC with flat roof; 13F</p> <p>Completion date: February 2008</p> |

(xi) RESIDIA Kobe-Isogami

Type of asset: Real estate beneficiary interests in trust
 Acquisition price: 2,740 million yen
 Acquisition date: February 28, 2012
 Location: 3-1-20 Isogamidori, Chuo-ku, Kobe-shi, Hyogo
 Area: (Land) 1,196.23m²; (Building) 7,438.91m²
 Structure: RC with flat roof; B1F/15F
 Completion date: March 2008

(xiv) RESIDIA Omori

Type of asset: Real estate beneficiary interests in trust
 Acquisition price: 1,150 million yen
 Acquisition date: March 1, 2012
 Location: 1-13-10 Omorikita, Ota-ku, Tokyo
 Area: (Land) 317.47m²; (Building) 1,769.98m²
 Structure: RC with flat roof; 14F
 Completion date: March 2006

(xii) RESIDIA Bunkyo-Otowa II

Type of asset: Real estate beneficiary interests in trust
 Acquisition price: 2,268 million yen
 Acquisition date: February 29, 2012
 Location: 2-11-15 Otowa, Bunkyo-ku, Tokyo
 Area: (Land) 547.29m²; (Building) 4,110.90m²
 Structure: RC, SRC with flat roof; B1F/11F
 Completion date: February 2008

(xv) RESIDIA Esaka

Type of asset: Real estate beneficiary interests in trust
 Acquisition price: 989 million yen
 Acquisition date: March 1, 2012
 Location: 1-14-25, Esaka-cho, Suita-shi, Osaka
 Area: (Land) 570.00m²; (Building) 2,790.89m²
 Structure: RC with flat roof; 13F
 Completion date: July 2007

(xiii) RESIDIA Ochanomizu

Type of asset: Real estate beneficiary interests in trust
 Acquisition price: 2,090 million yen
 Acquisition date: March 1, 2012
 Location: 3-1-4 Yushima, Bunkyo-ku, Tokyo
 Area: (Land) 553.55m²; (Building) 3,674.78m²
 Structure: SRC, RC with flat roof; 17F
 Completion date: September 2005

(Note) The acquisition price is each exclusive of the amount of reimbursement of the pro rata portion of the amount equivalent to real property tax, urban planning tax and depreciable asset tax, as well as consumption tax and local consumption tax.



2) Debt Financing

ADR borrowed the following funds to fund the acquisition of the above real estate beneficiary interests in trust and to fund the redemption of investment corporation bonds.

(i) Short-term loan (term: 1 year)

Lender(s): The Bank of Tokyo-Mitsubishi UFJ, Ltd.
The Sumitomo Trust & Banking Co., Ltd.
Sumitomo Mitsui Banking Corporation
Mizuho Corporate Bank, Ltd.

Debt financing amount: 3,400 million yen

Interest rate: Base rate (JBA 1-month Japanese Yen TIBOR) + 1.05%

Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity

Drawdown date: February 8, 2012

Repayment date: February 8, 2013

(ii) Long-term loan (term: 3 years and 6 months)

Lender(s): Mizuho Trust & Banking Co., Ltd.

Debt financing amount: 1,000 million yen

Interest rate: Base rate (JBA 1-month Japanese Yen TIBOR) + 0.57%

Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity

Drawdown date: February 8, 2012

Repayment date: July 31, 2015

(iii) Long-term loan (term: 3 years and 6 months)

Lender(s): The Yamaguchi Bank, Ltd.
The Tokyo Tomin Bank, Ltd.
The Iyo Bank, Ltd.

Debt financing amount: 1,300 million yen

Interest rate: Base rate (JBA 3-month Japanese Yen TIBOR) + 0.57%

Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity

Drawdown date: February 8, 2012

Repayment date: July 31, 2015

(iv) Long-term loan (term: 4 years and 6 months)

Lender(s): Resona Bank, Limited
The Bank of Fukuoka, Ltd.
The Yamaguchi Bank, Ltd.
The Tokyo Tomin Bank, Ltd.
The Iyo Bank, Ltd.

Debt financing amount: 4,300 million yen

Interest rate: 1.1050%
(The borrowing interest rate that is, in effect, fixed by an interest rate swap agreement entered into for the purpose of fixing the interest rate is shown.)

Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity

Drawdown date: February 8, 2012

Repayment date: July 29, 2016

(v) Long-term loan (term: 6 years and 6 months)

Lender(s): The Bank of Tokyo-Mitsubishi UFJ, Ltd.
The Sumitomo Trust & Banking Co., Ltd.
Shinsei Bank, Limited

Debt financing amount: 2,000 million yen

Interest rate: 1.4240%
(The borrowing interest rate that is, in effect, fixed by an interest rate swap agreement entered into for the purpose of fixing the interest rate is shown.)

Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity

Drawdown date: February 8, 2012

Repayment date: July 31, 2018

(vi) Short-term loan (term: 1 year)

Lender(s):	The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Sumitomo Trust & Banking Co., Ltd. Sumitomo Mitsui Banking Corporation Mizuho Corporate Bank, Ltd.
Debt financing amount:	3,100 million yen
Interest rate:	Base rate (JBA 1-month Japanese Yen TIBOR) + 0.95%
Debt financing method:	Unsecured, unguaranteed and lump-sum repayment at maturity
Drawdown date:	February 28, 2012
Repayment date:	February 28, 2013

(vii) Long-term loan (term: 6 years)

Lender(s):	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Debt financing amount:	2,850 million yen
Interest rate:	1.2325%
Debt financing method:	Unsecured, unguaranteed and lump-sum repayment at maturity
Drawdown date:	February 28, 2012
Repayment date:	February 28, 2018

(viii) Short-term loan (term: 1 year)

Lender(s):	The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Sumitomo Trust & Banking Co., Ltd. Sumitomo Mitsui Banking Corporation Mizuho Corporate Bank, Ltd.
Debt financing amount:	3,050 million yen
Interest rate:	Base rate (JBA 1-month Japanese Yen TIBOR) + 0.95%
Debt financing method:	Unsecured, unguaranteed and lump-sum repayment at maturity
Drawdown date:	March 1, 2012
Repayment date:	February 28, 2013

3) Issuance of New Units

ADR passed a resolution on issuance of new units for the acquisition of real estate, etc. (specified assets) and other purposes at a meeting of the board of directors of ADR held on January 12, 2012. Payments for the issuance of new units through public offering were completed on February 1, 2012 and payments for the issuance of new units by way of third-party allotment were completed on February 29, 2012.

As a result, paid-in capital is 80,087,298,304 yen and the number of units issued and outstanding is 1,100,000 units.

(Issuance of New Units through Public Offering (Primary Offering))

Number of units issued:	110,000 units
Issue price:	133,770 yen per unit
Total issue price:	14,714,700,000 yen
Issue amount (Underwriting amount):	129,379 yen per unit
Total issue amount:	14,231,690,000 yen
Payment deadline:	February 1, 2012

(Issuance of New Units by Way of Third-Party Allotment)

Number of units issued:	10,000 units
Issue amount:	129,379 yen per unit
Total issue amount:	1,293,790,000 yen
Application period (Application deadline):	February 28, 2012
Payment deadline:	February 29, 2012
Allottee:	Mizuho Securities Co., Ltd.

Overview of the Investment Corporation

1. Paid-in Capital

The following are the total number of units authorized, total number of units issued and outstanding, paid-in capital and number of unitholders as of January 31, 2012.

Fiscal period	1 st Fiscal Period	2 nd Fiscal Period	3 rd Fiscal Period
Fiscal period end	Fiscal period ended January 2011	Fiscal period ended July 2011	Fiscal period ended January 2012
Total number of units authorized	6,000,000 units	6,000,000 units	6,000,000 units
Total number of units issued and outstanding	980,000 units	980,000 units	980,000 units
Paid-in capital (Note)	64,561 million yen	64,561 million yen	64,561 million yen
Number of unitholders	22,882 persons	21,293 persons	21,570 persons

(Note) In addition to paid-in capital, capital surplus of 53,220 million yen is recorded on balance sheets as of January 31, 2012.

2. Major Unitholders

The following are the major unitholders as of January 31, 2012.

Name	Address	Unitholding (units)	% share of issued and outstanding
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11 Harumi, Chuo-ku, Tokyo	155,100	15.82%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2-2-2 Otemachi, Chiyoda-ku, Tokyo	75,898	7.74%
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	Harumi Island Triton Square Office Tower Z, 1-8-12 Harumi, Chuo-ku, Tokyo	73,404	7.49%
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo	46,776	4.77%
ITOCHU Corporation	2-5-1 Kita-Aoyama, Minato-ku, Tokyo	34,800	3.55%
Nomura Bank (Luxembourg) S.A.	Batiment A, 33, rue de Gasperich, L-5826, Luxembourg	21,444	2.18%
JPMorgan Chase Bank 385174	125 London Wall, London, EC2Y 5AJ, United Kingdom	16,925	1.72%
Mizuho Trust & Banking Co., Ltd.	1-2-1 Yaesu, Chuo-ku, Tokyo	14,511	1.48%
State Street Bank and Trust Company	P.O. Box 351 Boston Massachusetts 02101 U.S.A.	14,070	1.43%
State Street Bank and Trust Company 505104	P.O. Box 351 Boston Massachusetts 02101 U.S.A.	13,011	1.32%
Total		465,939	47.54%

(Note) “% share of issued and outstanding” (unitholding (number of units held) as a percentage of total number of units issued and outstanding) is rounded down to two decimal places.

3. Directors and Independent Auditor

The executive director, supervisory directors and independent auditor as of January 31, 2012 are as follows.

Title	Name	Primary concurrent positions	Total amount of compensation for each title during applicable operating period (thousand yen)
Executive director	Kenji Kousaka ^(Note 1)	President, AD Investment Management Co., Ltd.	— ^(Note 2)
Supervisory director	Hidejiro Matsuda	President, Hidejiro Matsuda CPA Office	1,200
		Auditor, TYO Inc.	
Supervisory director	Yoshiki Oshima	President, Akasaka Law Office L.P.C.	1,200
Independent auditor	Deloitte Touche Tohmatsu LLC		43,800 ^(Note 3)

Notes 1. Kenji Kousaka concurrently serves as president of ADR's asset management company, AD Investment Management Co., Ltd. (ADIM), and executive director of ADR. The Commissioner of the Financial Services Agency was notified of the concurrent holding of positions on March 5, 2008 pursuant to the provisions of Article 31-4, Paragraph 4 of the Financial Instruments and Exchange Act prior to revision by the provisions of Article 1 of the Act for Partial Revision of the Financial Instruments and Exchange Act, etc. (Act No. 65 of 2008) (Article 31-4, Paragraph 1 of the Act as of the date of this document).

2. The executive director does not receive compensation from ADR.

3. The compensation to the independent auditor includes compensation for services other than those prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act (24,700 thousand yen).

4. Asset Management Company, Asset Custodian and Administrative Agents

The following are the asset management company, asset custodian and administrative agents as of January 31, 2012.

Delegation		Name
Asset management company		AD Investment Management Co., Ltd.
Asset custodian		The Sumitomo Trust & Banking Co., Ltd.
Administrative agent	(management of register of unitholders, etc.)	Mizuho Trust & Banking Co., Ltd.
Administrative agent	(management of special accounts)	Mizuho Trust & Banking Co., Ltd. Mitsubishi UFJ Trust and Banking Corporation
Administrative agent	(accounting, taxation, running of organization, etc.)	The Sumitomo Trust & Banking Co., Ltd.
Administrative agent	(administration for investment corporation bonds)	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
		Mizuho Corporate Bank, Ltd.
		Mizuho Securities Co., Ltd.
		JPMorgan Securities Japan Co., Ltd.
		Daiwa Securities Capital Markets Co., Ltd.



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Assets Under Management

1. Composition of the Investment Corporation's Assets

Type of asset	Investment region, etc.		2 nd Fiscal Period (as of July 31, 2011)		3 rd Fiscal Period (as of January 31, 2012)	
			Total amount held (million yen)	As a percentage of total assets (%)	Total amount held (million yen)	As a percentage of total assets (%)
			(Note 6)	(Note 7)	(Note 6)	(Note 7)
Real estate in trust (Note 1)	Tokyo Central 7 Wards	(Note 2)	94,190	27.0	91,029	25.5
	Tokyo 23 Wards	(Note 3)	66,877	19.2	71,304	20.0
	Tokyo Metropolitan Area	(Note 4)	19,801	5.7	19,722	5.5
	Major Regional Cities	(Note 5)	16,312	4.7	16,208	4.5
Subtotal			197,182	56.5	198,264	55.6
Real estate (Note 1)	Tokyo Central 7 Wards	(Note 2)	71,575	20.5	73,883	20.7
	Tokyo 23 Wards	(Note 3)	22,187	6.4	23,945	6.7
	Tokyo Metropolitan Area	(Note 4)	16,802	4.8	16,637	4.7
	Major Regional Cities	(Note 5)	22,528	6.5	24,985	7.0
Subtotal			133,094	38.1	139,451	39.1
Silent partnership equity interests		(Note 8)	—	—	290	0.1
Deposits and other assets			18,881	5.4	18,885	5.3
Sum total of total amount of assets			349,158	100.0	356,891	100.0

- Notes 1. The primary use of real estate in trust and real estate is apartment.
2. "Tokyo Central 7 Wards" indicates the Minato, Chiyoda, Shibuya, Shinjuku, Meguro, Setagaya and Shinagawa wards of Tokyo.
3. "Tokyo 23 Wards" indicates the Tokyo 23 wards other than the Tokyo Central 7 Wards.
4. "Tokyo Metropolitan Area" indicates Tokyo (excluding the Tokyo 23 wards) and Kanagawa, Saitama and Chiba prefectures.
5. "Major Regional Cities" indicates cabinet order designated and similar cities excluding cities in the Tokyo Metropolitan Area.
6. "Total amount held" is the balance sheet amount as of the date of closing of accounts (in the case of real estate, etc., the sum total amount of book value after depreciation), rounded down to the nearest million yen.
7. "As a percentage of total assets" is the balance sheet amount of the applicable real estate, etc. expressed as a percentage of the total amount of assets, rounded to one decimal place.
8. "Silent partnership equity interests" is the silent partnership equity interests pertaining to the silent partnership with Godo Kaisha RBFA as the operator and the silent partnership with Godo Kaisha RBFA2 as the operator.
9. Due to rounding down or rounding off, the sum total of the itemized figures does not necessarily add up to the sum total entered in the foregoing table. The compensation to the independent auditor includes compensation for services other than those prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act (24,700 thousand yen).

2. Principal Assets Held

The following summarizes the principal assets held by ADR (the top 10 properties with the highest book value at the end of the fiscal period) as of January 31, 2012.

Name of real estate, etc.	Book value	Leasable floor area	Leased floor area	Occupancy rate	As a percentage of total revenue from property leasing	Primary use
	(million yen)	(m ²)	(m ²)	(%)	(%) (Note)	
RESIDIA TOWER Meguro-Fudomae	16,149	21,019.77	21,019.77	100.0	4.3	Apartment
Pacific Royal Court Minato Mirai Ocean Tower	13,438	26,082.53	25,760.33	98.8	5.3	Apartment
Park Tower Shibaura Bayward Urban Wing	9,411	13,490.67	12,783.59	94.8	2.6	Apartment
Motoazabu Place	8,368	7,382.62	6,250.14	84.7	1.8	Apartment
RESIDIA Daikanyama-Sarugakucho / Daikanyama Parkside Village	7,326	5,977.18	5,602.47	93.7	1.6	Apartment
RESIDIA TOWER Roppongi	6,947	5,978.20	5,297.30	88.6	1.5	Apartment
RESIDIA Nishi-Azabu	6,682	7,078.64	6,804.78	96.1	1.9	Apartment
RESIDIA TOWER Azabujuban	6,140	7,207.18	6,253.10	86.8	1.5	Apartment
RESIDIA Mejiro	6,138	13,069.70	12,669.08	96.9	2.1	Apartment
RESIDIA Nihonbashi-Bakurocho	5,407	8,502.12	8,502.12	100.0	1.4	Apartment
Total	86,011	115,788.61	110,942.68	—	23.9	—

(Note) "As a percentage of total revenue from property leasing" is the revenue from property leasing of the applicable property expressed as a percentage of the sum total amount for all properties.

3. Real Estate Portfolio

The following is an itemization of assets held by ADR as of January 31, 2012.

Property no.	Name of real estate, etc.	Location (indication of residential address)	Type of ownership	Book value at end of period (million yen)	Value calculated at end of period (million yen) (Note 1)	2 nd Fiscal Period (Feb. 1, 2011 ~ July 31, 2011)				3 rd Fiscal Period (Aug. 1, 2011 ~ Jan. 31, 2012)			
						Total number of tenants at end of period (tenants) (Note 2)	Occupancy rate at end of period (%) (Note 3)	Revenue from property leasing (thousand yen) (Note 4)	As a percentage of total revenue from property leasing (%)	Total number of tenants at end of period (tenants) (Note 2)	Occupancy rate at end of period (%) (Note 3)	Revenue from property leasing (thousand yen) (Note 4)	As a percentage of total revenue from property leasing (%)
P-2	RESIDIA Shimazuyama	Shinagawa-ku, Tokyo	Beneficiary interests in trust	2,585	2,760	1	94.9	87,905	0.8	1	92.2	86,876	0.8
P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	Beneficiary interests in trust	1,566	1,690	1	100.0	47,256	0.4	1	100.0	47,256	0.4
P-4	RESIDIA Setagaya-Tsurumaki	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,189	1,169	1	92.4	34,853	0.3	1	96.4	35,056	0.3
P-5	RESIDIA Azabujuban	Minato-ku, Tokyo	Beneficiary interests in trust	1,957	1,801	1	97.2	51,357	0.5	1	96.9	52,013	0.5
P-7	RESIDIA Ikejirihashi	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,184	1,160	1	100.0	37,157	0.3	1	97.8	35,366	0.3
P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	Beneficiary interests in trust	2,180	2,208	1	98.7	69,914	0.6	1	97.7	68,824	0.6
P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	Beneficiary interests in trust	1,112	1,050	1	100.0	31,382	0.3	1	100.0	31,760	0.3
P-13	RESIDIA Sakurajosui	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,113	1,080	1	92.7	33,410	0.3	1	96.3	32,258	0.3
P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	Beneficiary interests in trust	2,700	2,550	1	100.0	75,888	0.7	1	100.0	75,888	0.7
P-15	RESIDIA Yoyoginomori	Shibuya-ku, Tokyo	Beneficiary interests in trust	736	575	1	100.0	19,557	0.2	1	97.0	20,099	0.2
P-16	RESIDIA Shinjuku-East III	Shinjuku-ku, Tokyo	Beneficiary interests in trust	766	746	1	100.0	30,049	0.3	1	100.0	25,778	0.2
P-19	Leopalace Udagawacho Mansion	Shibuya-ku, Tokyo	Beneficiary interests in trust	582	601	1	100.0	17,944	0.2	1	100.0	17,944	0.2
P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	Beneficiary interests in trust	1,358	1,440	1	94.6	45,186	0.4	1	93.9	45,256	0.4
P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	Beneficiary interests in trust	926	907	1	98.0	31,307	0.3	1	93.9	30,608	0.3
P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	Beneficiary interests in trust	1,490	1,580	1	97.4	52,509	0.5	1	99.0	54,720	0.5
P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	Beneficiary interests in trust	861	864	1	100.0	28,363	0.2	1	95.0	28,049	0.2
P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	Beneficiary interests in trust	542	554	1	92.8	19,099	0.2	1	100.0	18,648	0.2
P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	Beneficiary interests in trust	714	628	1	92.8	22,699	0.2	1	92.1	20,011	0.2
P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	Real estate	1,629	1,650	1	96.6	51,367	0.5	1	91.7	51,946	0.5
P-30	Pianetta Shiodome	Minato-ku, Tokyo	Beneficiary interests in trust	1,912	1,860	1	100.0	64,400	0.6	1	93.4	60,180	0.5
P-31	RESIDIA Komazawadaigaku	Setagaya-ku, Tokyo	Beneficiary interests in trust	327	339	1	100.0	12,197	0.1	1	90.3	10,819	0.1
P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	Beneficiary interests in trust	322	319	1	87.7	10,284	0.1	1	100.0	10,839	0.1
P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	Beneficiary interests in trust	358	356	1	91.4	12,294	0.1	1	100.0	11,355	0.1
P-34	RESIDIA Kyodo	Setagaya-ku, Tokyo	Beneficiary interests in trust	281	279	1	93.9	9,950	0.1	1	93.8	10,121	0.1
P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	Real estate	928	928	1	95.8	32,566	0.3	1	87.3	33,391	0.3
P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	Real estate	2,261	2,350	1	96.5	69,847	0.6	1	95.3	71,629	0.6
P-37	RESIDIA Kamiochiai	Shinjuku-ku, Tokyo	Real estate	1,160	1,210	1	100.0	43,895	0.4	1	95.1	40,993	0.4
P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	Real estate	2,012	2,090	1	98.4	69,552	0.6	1	94.2	68,256	0.6
P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	Real estate	1,179	1,180	1	100.0	35,706	0.3	1	92.4	37,054	0.3
P-40	RESIDIA Toranomon	Minato-ku, Tokyo	Real estate	1,301	1,310	1	95.3	41,444	0.4	1	96.8	38,565	0.3
P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	Real estate	1,147	1,130	1	98.5	37,116	0.3	1	90.8	37,309	0.3
P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	Real estate	905	924	1	98.2	31,354	0.3	1	100.0	30,586	0.3
P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	Real estate	1,036	1,080	1	94.6	34,834	0.3	1	90.6	34,627	0.3
P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	Beneficiary interests in trust	1,032	1,060	1	100.0	35,564	0.3	1	90.3	34,584	0.3
P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	Real estate	2,275	2,240	1	97.0	74,548	0.7	1	98.6	75,729	0.7
P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	Real estate	3,603	3,330	1	91.1	96,371	0.8	1	91.1	96,291	0.9
P-49	RESIDIA Akasaka	Minato-ku, Tokyo	Real estate	1,163	1,170	1	92.9	38,944	0.3	1	97.7	38,652	0.3
P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	Beneficiary interests in trust	6,682	6,430	1	91.8	207,898	1.8	1	96.1	210,461	1.9
P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	Beneficiary interests in trust	2,107	1,950	1	100.0	62,207	0.5	1	90.8	57,949	0.5
P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	Beneficiary interests in trust	2,458	2,450	1	88.7	75,321	0.7	1	98.7	74,713	0.7
P-53	RESIDIA Roppongi-Hinokichokoen	Minato-ku, Tokyo	Beneficiary interests in trust	3,520	3,560	1	90.5	105,485	0.9	1	92.2	107,540	1.0
P-55	RESIDIA TOWER Meguro-Fudomae	Shinagawa-ku, Tokyo	Real estate	16,149	16,300	1	100.0	481,130	4.2	1	100.0	480,800	4.3
P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	Real estate	2,705	2,710	1	98.2	89,759	0.8	1	93.6	84,241	0.7

Property no.	Name of real estate, etc.	Location (indication of residential address)	Type of ownership	Book value at end of period (million yen)	Value calculated at end of period (million yen) (Note 1)	2 nd Fiscal Period (Feb. 1, 2011 ~ July 31, 2011)				3 rd Fiscal Period (Aug. 1, 2011 ~ Jan. 31, 2012)			
						Total number of tenants at end of period (tenants) (Note 2)	Occupancy rate at end of period (%) (Note 3)	Revenue from property leasing (thousand yen) (Note 4)	As a percentage of total revenue from property leasing (%)	Total number of tenants at end of period (tenants) (Note 2)	Occupancy rate at end of period (%) (Note 3)	Revenue from property leasing (thousand yen) (Note 4)	As a percentage of total revenue from property leasing (%)
P-58	RESIDIA Minami-Aoyama	Minato-ku, Tokyo	Real estate	740	554	1	72.6	15,832	0.1	1	78.5	14,651	0.1
P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	Real estate	1,592	1,600	1	96.6	55,934	0.5	1	98.4	54,954	0.5
P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	Real estate	1,410	1,350	1	86.4	37,737	0.3	1	88.1	38,195	0.3
P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	Real estate	2,005	1,910	1	100.0	54,205	0.5	1	100.0	53,496	0.5
P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	Real estate	6,140	5,600	1	82.9	170,779	1.5	1	86.8	171,743	1.5
P-63	RESIDIA Shibuya	Shibuya-ku, Tokyo	Real estate	1,240	1,260	1	93.1	38,289	0.3	1	98.0	40,511	0.4
P-64	RESIDIA Nakanobu	Shinagawa-ku, Tokyo	Beneficiary interests in trust	1,851	1,970	1	97.1	59,956	0.5	1	96.9	61,165	0.5
P-65	RESIDIA Azabudai	Minato-ku, Tokyo	Beneficiary interests in trust	1,593	1,570	1	91.8	46,709	0.4	1	93.4	43,985	0.4
P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	Beneficiary interests in trust	1,720	1,640	1	89.6	49,230	0.4	1	97.9	49,956	0.4
P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	Real estate	1,127	1,120	1	97.6	38,903	0.3	1	93.6	37,708	0.3
P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	Real estate	1,266	1,270	1	94.1	37,967	0.3	1	100.0	41,276	0.4
P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	Real estate	1,803	1,890	1	91.8	59,237	0.5	1	88.9	57,092	0.5
P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	Real estate	910	895	1	84.9	26,732	0.2	1	92.5	25,708	0.2
P-72	RESIDIA Mejiro-Otomeyama	Shinjuku-ku, Tokyo	Beneficiary interests in trust	958	1,020	1	100.0	34,049	0.3	1	100.0	33,992	0.3
P-73	RESIDIA Shibaura	Minato-ku, Tokyo	Beneficiary interests in trust	4,566	4,830	1	95.5	167,096	1.5	1	93.0	163,398	1.5
P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	Real estate	918	845	1	93.8	28,964	0.3	1	86.7	27,029	0.2
P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	Beneficiary interests in trust	5,206	5,170	1	96.9	153,121	1.3	1	92.9	150,394	1.3
P-76	Park Tower Shibaura Bayward Urban Wing	Minato-ku, Tokyo	Beneficiary interests in trust	9,411	9,180	1	90.1	290,742	2.6	1	94.8	293,779	2.6
P-77	Motoazabu Place	Minato-ku, Tokyo	Beneficiary interests in trust	8,368	7,590	1	87.3	217,645	1.9	1	84.7	203,101	1.8
P-78	RESIDIA TOWER Roppongi	Minato-ku, Tokyo	Real estate	6,947	5,950	1	87.2	167,492	1.5	1	88.6	163,787	1.5
P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	Beneficiary interests in trust	862	870	1	93.4	27,753	0.2	1	92.2	24,775	0.2
P-80	RESIDIA Yoyogikoen	Shibuya-ku, Tokyo	Beneficiary interests in trust	1,085	778	1	54.6	28,299	0.2	1	100.0	22,089	0.2
P-81	Windsor House Hiroo	Shibuya-ku, Tokyo	Real estate and leasehold rights to real estate	1,723	1,530	1	100.0	51,292	0.5	1	100.0	53,016	0.5
P-83	RESIDIA Daikanyama-Sarugakucho / Daikanyama Parkside Village	Shibuya-ku, Tokyo	Beneficiary interests in trust	7,326	6,290	1	94.2	198,515	1.7	1	93.7	179,727	1.6
P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	Real estate	1,444	1,460	1	73.1	44,784	0.4	1	96.2	39,946	0.4
P-85	RESIDIA Komazawa	Setagaya-ku, Tokyo	Beneficiary interests in trust	891	1,010	1	100.0	28,095	0.2	1	100.0	28,095	0.2
P-86	RESIDIA Shibaura KAIGAN	Minato-ku, Tokyo	Beneficiary interests in trust	2,478	2,690	1	98.6	68,862	0.6	1	95.7	89,190	0.8
P-87	RESIDIA Ichigaya-Yakuoji	Shinjuku-ku, Tokyo	Beneficiary interests in trust	2,134	2,300	1	100.0	27,335	0.2	1	100.0	61,234	0.5
P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	Real estate	1,641	1,620	1	88.4	6,759	0.1	1	93.7	49,339	0.4
P-89	RESIDIA TOWER Nakameguro	Meguro-ku, Tokyo	Real estate	3,508	3,520	—	—	—	—	1	93.8	90,688	0.8
C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	Beneficiary interests in trust	1,751	1,970	1	94.2	65,792	0.6	1	92.8	64,557	0.6
C-2	RESIDIA Kamata	Ota-ku, Tokyo	Beneficiary interests in trust	2,409	2,930	1	99.4	105,699	0.9	1	98.1	98,770	0.9
C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	Beneficiary interests in trust	1,473	1,530	1	100.0	46,846	0.4	1	100.0	46,833	0.4
C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,633	1,730	1	100.0	50,255	0.4	1	100.0	50,271	0.4
C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	Beneficiary interests in trust	1,012	1,130	1	95.0	38,576	0.3	1	95.6	39,097	0.3
C-6	Maison Eclairée Ekoda	Nerima-ku, Tokyo	Beneficiary interests in trust	960	940	1	95.7	34,730	0.3	1	96.8	35,670	0.3
C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	Beneficiary interests in trust	3,056	3,120	1	96.0	98,563	0.9	1	97.5	97,406	0.9
C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,629	1,600	1	100.0	49,564	0.4	1	97.8	49,766	0.4
C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	Beneficiary interests in trust	900	927	1	93.9	30,648	0.3	1	100.0	30,272	0.3
C-10	RESIDIA Higashi-Ginza	Chuo-ku, Tokyo	Beneficiary interests in trust	5,230	4,660	1	100.0	138,820	1.2	1	100.0	136,751	1.2
C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	Beneficiary interests in trust	3,147	3,130	1	95.8	104,583	0.9	1	95.6	94,140	0.8
C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	Beneficiary interests in trust	1,969	1,750	1	96.8	55,324	0.5	1	96.8	58,412	0.5
C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	Beneficiary interests in trust	4,207	3,800	1	96.7	117,963	1.0	1	92.1	117,330	1.0
C-16	RESIDIA Negishi	Taito-ku, Tokyo	Beneficiary interests in trust	874	788	1	96.5	26,559	0.2	1	96.5	24,965	0.2
C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	Beneficiary interests in trust	1,849	1,880	1	100.0	56,225	0.5	1	100.0	56,490	0.5
C-18	RESIDIA Kamiikebukuro	Toshima-ku, Tokyo	Beneficiary interests in trust	544	565	1	95.5	21,549	0.2	1	97.9	21,281	0.2

I. Asset Management Report

Property no.	Name of real estate, etc.	Location (indication of residential address)	Type of ownership	Book value at end of period (million yen)	Value calculated at end of period (million yen) (Note 1)	2nd Fiscal Period (Feb. 1, 2011 ~ July 31, 2011)				3rd Fiscal Period (Aug. 1, 2011 ~ Jan. 31, 2012)			
						Total number of tenants at end of period (tenants) (Note 2)	Occupancy rate at end of period (%) (Note 3)	Revenue from property leasing (thousand yen) (Note 4)	As a percentage of total revenue from property leasing (%)	Total number of tenants at end of period (tenants) (Note 2)	Occupancy rate at end of period (%) (Note 3)	Revenue from property leasing (thousand yen) (Note 4)	As a percentage of total revenue from property leasing (%)
C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	Beneficiary interests in trust	343	381	1	90.0	14,732	0.1	1	96.7	13,566	0.1
C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	Beneficiary interests in trust	994	1,030	1	100.0	30,080	0.3	1	100.0	30,080	0.3
C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	Real estate	1,428	1,490	1	97.0	47,973	0.4	1	93.3	48,475	0.4
C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	Beneficiary interests in trust	1,768	1,760	1	92.4	60,701	0.5	1	95.3	62,152	0.6
C-24	RESIDIA Kyobashi	Chuo-ku, Tokyo	Real estate	1,195	1,220	1	100.0	40,002	0.4	1	100.0	40,002	0.4
C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	Beneficiary interests in trust	1,269	1,300	1	100.0	40,381	0.4	1	100.0	40,381	0.4
C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	Beneficiary interests in trust	589	621	1	87.2	20,262	0.2	1	100.0	20,382	0.2
C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	Beneficiary interests in trust	1,957	1,940	1	100.0	58,330	0.5	1	100.0	58,389	0.5
C-28	RESIDIA Oji	Kita-ku, Tokyo	Beneficiary interests in trust	844	893	1	100.0	34,554	0.3	1	100.0	34,492	0.3
C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	Real estate	1,032	1,010	1	94.2	35,173	0.3	1	95.4	35,538	0.3
C-31	RESIDIA Tsukishima	Chuo-ku, Tokyo	Real estate	1,080	1,130	1	95.0	34,906	0.3	1	100.0	36,889	0.3
C-32	RESIDIA Kamata II	Ota-ku, Tokyo	Real estate	1,340	1,410	1	94.9	46,589	0.4	1	91.8	46,255	0.4
C-33	RESIDIA Tsukishima II	Chuo-ku, Tokyo	Beneficiary interests in trust	2,404	2,530	1	94.1	79,719	0.7	1	95.1	80,501	0.7
C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	Real estate	2,347	2,360	1	93.9	80,527	0.7	1	89.8	77,089	0.7
C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	Beneficiary interests in trust	3,291	3,520	1	100.0	111,644	1.0	1	100.0	109,197	1.0
C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	Beneficiary interests in trust	689	750	1	97.2	24,392	0.2	1	97.2	25,705	0.2
C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,026	1,090	1	95.3	36,502	0.3	1	94.4	37,166	0.3
C-38	RESIDIA Ikegami	Ota-ku, Tokyo	Beneficiary interests in trust	369	369	1	81.9	13,066	0.1	1	83.8	12,220	0.1
C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	Beneficiary interests in trust	543	586	1	100.0	17,822	0.2	1	100.0	17,822	0.2
C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	Real estate	1,418	1,430	1	92.9	45,898	0.4	1	98.3	47,664	0.4
C-41	RESIDIA Iriya	Taito-ku, Tokyo	Beneficiary interests in trust	962	1,000	1	98.2	35,936	0.3	1	87.6	35,179	0.3
C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	Real estate	1,296	1,330	1	95.6	43,846	0.4	1	95.7	42,582	0.4
C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	Real estate	1,835	1,830	1	94.8	60,717	0.5	1	98.7	55,298	0.5
C-44	RESIDIA Chidoricho	Ota-ku, Tokyo	Real estate	1,271	1,320	1	95.0	43,691	0.4	1	88.6	45,541	0.4
C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	Beneficiary interests in trust	1,289	1,310	1	95.6	43,670	0.4	1	94.3	41,806	0.4
C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	Beneficiary interests in trust	6,138	6,200	1	97.0	229,373	2.0	1	96.9	231,560	2.1
C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	Beneficiary interests in trust	665	720	1	100.0	29,359	0.3	1	93.8	27,966	0.2
C-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	Real estate	5,407	5,730	1	100.0	159,469	1.4	1	100.0	159,420	1.4
C-49	RESIDIA Suginami-Honancho	Suginami-ku, Tokyo	Beneficiary interests in trust	3,915	4,520	1	100.0	137,353	1.2	1	100.0	136,707	1.2
C-50	RESIDIA Shin-Itabashi	Itabashi-ku, Tokyo	Beneficiary interests in trust	911	1,020	1	100.0	29,739	0.3	1	100.0	29,739	0.3
C-51	RESIDIA Kiba	Koto-ku, Tokyo	Beneficiary interests in trust	2,055	2,370	1	100.0	79,162	0.7	1	98.7	78,631	0.7
C-52	RESIDIA Bunkyo-Yushima III	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,163	1,280	-	96.9	37,009	0.3	1	100.0	39,980	0.4
C-53	RESIDIA Bunkyo-Honkomagome	Bunkyo-ku, Tokyo	Real estate	2,449	2,530	-	94.9	27,547	0.2	1	96.7	82,951	0.7
C-54	RESIDIA Tsukishima III	Chuo-ku, Tokyo	Beneficiary interests in trust	2,658	2,900	-	-	-	-	1	97.4	76,176	0.7
C-55	RESIDIA Minamisenjyu	Arakawa-ku, Tokyo	Beneficiary interests in trust	2,798	3,080	-	-	-	-	1	97.4	131,538	1.2
C-56	RESIDIA Ogikubo	Suginami-ku, Tokyo	Real estate	1,840	1,810	-	-	-	-	1	97.0	40,322	0.4
S-1	Hiyoshidai Student Heights	Yokohama-shi, Kanagawa	Beneficiary interests in trust	3,187	3,638	1	100.0	174,072	1.5	1	100.0	174,072	1.5
S-2	Chester House Kawaguchi	Kawaguchi-shi, Saitama	Beneficiary interests in trust	761	679	1	100.0	30,006	0.3	1	92.3	28,762	0.3
S-4	RESIDIA Higashi-Matsudo	Matsudo-shi, Chiba	Beneficiary interests in trust	1,121	1,020	1	100.0	43,246	0.4	1	95.7	43,712	0.4
S-5	RESIDIA Shin-Yokohama	Yokohama-shi, Kanagawa	Beneficiary interests in trust	1,901	1,700	1	100.0	62,426	0.6	1	100.0	62,551	0.6
S-7	RESIDIA Chofu	Chofu-shi, Tokyo	Beneficiary interests in trust	1,142	1,070	1	91.1	36,032	0.3	1	100.0	35,805	0.3
S-11	Wako Student Heights	Wako-shi, Saitama	Beneficiary interests in trust	702	611	1	100.0	26,182	0.2	1	100.0	26,182	0.2
S-12	RESIDIA Kokubunji	Kokubunji-shi, Tokyo	Beneficiary interests in trust	505	514	1	100.0	19,506	0.2	1	97.0	19,334	0.2
S-14	RESIDIA Yokohama-Kannai	Yokohama-shi, Kanagawa	Beneficiary interests in trust	1,655	1,720	1	97.1	61,314	0.5	1	97.2	58,174	0.5
S-15	RESIDIA Okurayama	Yokohama-shi, Kanagawa	Beneficiary interests in trust	740	786	1	100.0	26,670	0.2	1	100.0	26,744	0.2
S-16	RESIDIA Musashikosugi	Kawasaki-shi, Kanagawa	Real estate	1,558	1,590	1	95.5	59,973	0.5	1	97.7	54,365	0.5

Property no.	Name of real estate, etc.	Location (indication of residential address)	Type of ownership	Book value at end of period (million yen)	Value calculated at end of period (million yen) (Note 1)	2 nd Fiscal Period (Feb. 1, 2011 ~ July 31, 2011)				3 rd Fiscal Period (Aug. 1, 2011 ~ Jan. 31, 2012)			
						Total number of tenants at end of period (tenants) (Note 2)	Occupancy rate at end of period (%) (Note 3)	Revenue from property leasing (thousand yen) (Note 4)	As a percentage of total revenue from property leasing (%)	Total number of tenants at end of period (tenants) (Note 2)	Occupancy rate at end of period (%) (Note 3)	Revenue from property leasing (thousand yen) (Note 4)	As a percentage of total revenue from property leasing (%)
S-17	RESIDIA Funabashi I RESIDIA Funabashi II	Funabashi-shi, Chiba	Beneficiary interests in trust	2,679	2,760	1	100.0	94,530	0.8	1	100.0	94,558	0.8
S-19	RESIDIA Kichijoji	Musashino-shi, Tokyo	Beneficiary interests in trust	1,401	1,410	1	93.9	47,553	0.4	1	93.5	47,136	0.4
S-20	Pacific Royal Court Minato Mirai Ocean Tower	Yokohama-shi, Kanagawa	Real estate and leasehold rights to real estate	13,438	14,100	1	98.8	595,260	5.2	1	98.8	596,526	5.3
S-21	Maison Yachiyodai	Yachiyo-shi, Chiba	Beneficiary interests in trust	857	862	1	91.6	42,451	0.4	1	91.6	42,843	0.4
S-22	Life & Senior House Kohoku II	Yokohama-shi, Kanagawa	Real estate	1,640	1,650	1	100.0	70,704	0.6	1	100.0	70,704	0.6
S-23	College Court Tanashi	Nishi-Tokyo-shi, Tokyo	Beneficiary interests in trust	832	958	1	100.0	32,760	0.3	1	100.0	32,760	0.3
S-24	RESIDIA Urayasu	Urayasu-shi, Chiba	Beneficiary interests in trust	2,233	2,540	1	100.0	90,971	0.8	1	95.5	88,588	0.8
R-2	RESIDIA Imadegawa	Kyoto-shi, Kyoto	Beneficiary interests in trust	1,620	1,537	1	100.0	66,078	0.6	1	100.0	66,078	0.6
R-4	RESIDIA Higashi-Sakura	Nagoya-shi, Aichi	Beneficiary interests in trust	1,197	1,080	1	94.4	46,140	0.4	1	91.0	45,917	0.4
R-5	RESIDIA Kameyama	Kameyama-shi, Mie	Beneficiary interests in trust	1,640	1,130	1	100.0	68,829	0.6	1	100.0	68,980	0.6
R-6	Zeus Ryokuchi PREMIUM	Toyonaka-shi, Osaka	Beneficiary interests in trust	964	889	1	100.0	31,250	0.3	1	100.0	31,250	0.3
R-8	RESIDIA Kobe Port Island (South Bldg.; Centre Bldg.) RESIDIA Kobe Port Island (North Bldg.)	Kobe-shi, Hyogo	Beneficiary interests in trust	3,736	3,460	1	100.0	125,431	1.1	1	100.0	125,425	1.1
R-10	RESIDIA Hakata	Fukuoka-shi, Fukuoka	Real estate	1,204	1,160	1	98.0	52,027	0.5	1	98.0	51,907	0.5
R-11	RESIDIA Tenjinbashi	Osaka-shi, Osaka	Beneficiary interests in trust	846	889	1	98.8	37,581	0.3	1	95.0	37,264	0.3
R-12	RESIDIA Sannomiya-Higashi	Kobe-shi, Hyogo	Real estate	2,154	2,280	1	100.0	92,816	0.8	1	97.5	91,115	0.8
R-13	KC21 Building	Sendai-shi, Miyagi	Real estate	878	849	1	100.0	39,914	0.4	1	100.0	39,753	0.4
R-14	RESIDIA Utubokoen	Osaka-shi, Osaka	Real estate	1,141	1,170	1	97.1	46,956	0.4	1	100.0	48,334	0.4
R-15	RESIDIA Kyoto-ekimae	Kyoto-shi, Kyoto	Beneficiary interests in trust	1,922	2,000	1	99.3	76,806	0.7	1	93.9	76,494	0.7
R-16	RESIDIA Takaoka	Nagoya-shi, Aichi	Real estate	2,286	2,510	1	100.0	88,840	0.8	1	100.0	89,206	0.8
R-17	RESIDIA Hibino	Nagoya-shi, Aichi	Beneficiary interests in trust	1,292	1,340	1	92.8	67,736	0.6	1	94.5	67,070	0.6
R-19	RESIDIA Tenjin-Minami	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	911	916	1	96.4	37,373	0.3	1	91.1	39,149	0.3
R-20	RESIDIA Hakataeki-Minami	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	312	337	1	97.5	16,394	0.1	1	97.4	16,543	0.1
R-21	Mare	Nagoya-shi, Aichi	Real estate	665	674	1	97.8	27,303	0.2	1	100.0	28,357	0.3
R-24	RESIDIA Minami-Ichijo	Sapporo-shi, Hokkaido	Real estate	1,597	1,690	1	98.4	75,475	0.7	1	98.3	73,627	0.7
R-25	RESIDIA Odori-Nishi	Sapporo-shi, Hokkaido	Real estate	1,304	1,270	1	95.8	52,911	0.5	1	97.7	57,179	0.5
R-26	RESIDIA Kita-Sanjo	Sapporo-shi, Hokkaido	Real estate	1,099	1,170	1	99.3	49,101	0.4	1	99.3	49,561	0.4
R-27	RESIDIA Shirakabe-Higashi	Nagoya-shi, Aichi	Real estate	812	805	1	96.7	31,857	0.3	1	91.9	32,882	0.3
R-29	RESIDIA Uzumasa	Kyoto-shi, Kyoto	Real estate	693	699	1	100.0	36,106	0.3	1	96.1	35,093	0.3
R-30	RESIDIA Izumi	Nagoya-shi, Aichi	Real estate	3,612	3,760	1	92.1	145,703	1.3	1	96.3	144,892	1.3
R-31	RESIDIA Maruyama Kita-Gojo	Sapporo-shi, Hokkaido	Real estate	1,026	1,060	1	98.4	45,732	0.4	1	100.0	46,100	0.4
R-32	RESIDIA Tokugawa	Nagoya-shi, Aichi	Real estate	737	743	1	96.3	29,440	0.3	1	96.7	29,405	0.3
R-34	RESIDIA Odori-Koen	Sapporo-shi, Hokkaido	Real estate	1,968	2,120	1	98.1	92,094	0.8	1	96.2	91,151	0.8
R-35	RESIDIA Tanimachi	Osaka-shi, Osaka	Real estate	1,198	1,240	1	97.5	41,282	0.4	1	97.0	47,281	0.4
R-36	RESIDIA Hisaya-Odori	Nagoya-shi, Aichi	Beneficiary interests in trust	681	752	1	100.0	23,087	0.2	1	94.1	29,827	0.3
R-37	RESIDIA Sendai-Miyamachi	Sendai-shi, Miyagi	Beneficiary interests in trust	557	597	1	100.0	18,922	0.2	1	100.0	26,122	0.2
R-38	RESIDIA Hiroseodori	Sendai-shi, Miyagi	Beneficiary interests in trust	523	552	1	100.0	17,225	0.2	1	100.0	21,880	0.2
R-39	RESIDIA Edobori	Osaka-shi, Osaka	Real estate	1,512	1,570	-	-	-	-	1	96.9	52,283	0.5
R-40	RESIDIA Kyomachibori	Osaka-shi, Osaka	Real estate	1,090	1,100	-	-	-	-	1	97.7	28,954	0.3
Total				337,716	338,028	167	96.3	10,758,144	94.8	173	96.4	11,242,406	99.9

- Notes 1. "Value calculated at end of period" is the value found in an appraisal or valuation by a real estate appraiser with January 31, 2012 as the date of valuation pursuant to ADR's Articles of Incorporation and the "Regulations Concerning Accounting of Investment Corporations."
2. "Total number of tenants" indicates the number of tenants as 1 if there is a master lease agreement executed with a master lessee.
Please note that, as a master lease agreement is executed for all assets held by ADR as of January 31, 2012, the "Total" field for "Total number of tenants" indicates the sum total number of master lease agreements and the number of master lessees totals 14.
3. "Occupancy rate" is according to the formula: "Leased floor area" ÷ "Leasable floor area" × 100.
4. "Revenue from property leasing" is the revenue from property leasing of the applicable real estate, etc. for the fiscal period under review.
5. Properties sold in the 3rd Fiscal Period are not shown. Accordingly, the "Total" amount for the 2nd Fiscal Period in the table above differs to the "Total" amount in the Asset Management Report for the 2nd Fiscal Period.

4. Securities Portfolio

The following are securities held by ADR as of January 31, 2012.

Name	Type of asset	Quantity	Book value (thousand yen)		Value found in valuation (thousand yen) (Note 1)		Gain (Loss) on valuation (thousand yen)	Remarks
			Unit price	Amount	Unit price	Amount		
Equity interests in silent partnership with Godo Kaisha RBFA as operator (Note 2)	Silent partnership equity interests	—	—	11,955	—	10,000	-1,955	—
Equity interests in silent partnership with Godo Kaisha RBFA2 as operator (Note 3)	Silent partnership equity interests	—	—	278,087	—	275,000	-3,087	—
Total	—	—	—	290,042	—	285,000	-5,042	—

Notes 1. The value found in valuation is the value quoted by the operator of the silent partnership pursuant to regulations provided by The Investment Trusts Association, Japan.

2. The assets under management are the real estate beneficiary interests in trust for “ASYL Court Nakamurabashi,” “Pacific Residence Kobe-Isogami,” “Pacific Residence Nishijin,” “Pacific Residence Tsurumi” and “COSMOS GRACIA Kachidoki.”

3. The assets under management are the real estate beneficiary interests in trust for “Pacific Residence Goshohigashi,” “Pacific Residence Rakuohoku,” “Current Marunouchi” and “Current Sapporo Estacion.”

4. ADR holds real estate beneficiary interests in trust that are securities as defined in Article 2, Paragraph 2, Item 1 of the Financial Instruments and Exchange Act other than the above, but the real estate in trust pertaining to those beneficiary interests in trust are included earlier in “3. Real Estate, etc. Portfolio Asset Itemization” for convenience of reference.

5. Contract Amount, etc. and Fair Value of Specified Transactions

The following is the status of contract amount, etc. and fair value of ADR’s specified transactions as of January 31, 2012.

Account	Type	Contract amount (Note 1)		Fair value (Notes 2 and 3)
			Of which, exceeds 1 year	
Transaction other than market transaction	Interest rate swap transaction Payable fixed; Receivable floating	97,868,061	88,289,090	-268,495
Total		97,868,061	88,289,090	-268,495

Notes 1. The contract amount is based on notional principal.

2. The fair value is valued by the counterparty to the relevant transaction agreement at a value calculated based on the going rate of interest.

3. Concerning the amount of fair value, special provisions for interest rate swaps based on the “Accounting Standard for Financial Instruments” (issued by the Accounting Standards Board of Japan (ASBJ) on March 10, 2008; ASBJ Statement No. 10) apply and thus no valuation of fair value is made on balance sheets.

6. Other Assets

Real estate and beneficiary interests in trust under which real estate has been placed in trust are all listed earlier in “3. Real Estate Portfolio”. As of January 31, 2012, there are no major specified assets in the portfolio that are key investment targets of ADR other than those listed in that section and earlier in “4. Securities Portfolio”.

7. Assets Held in Each Country and Region

There are no applicable matters concerning countries and regions other than Japan.



Capital Expenditures

1. Planned Capital Expenditures

The following table lists the major capital expenditures for renovations planned for the properties held. The amounts below include repairs and maintenance costs that will be expensed as incurred.

(million yen)

Name of property (Location)	Purpose	Estimated Duration	Estimated amounts		
			Total amounts	Payment for the current period	Cumulative amount paid
KC21 Building (Sendai-shi, Miyagi)	Major repair work	From: Apr. 2012 To: Jul. 2012	44	—	—
RESIDIA Daikanyama-Sarugakucho / Daikanyama Parkside Village (Shibuya-ku, Tokyo)	Value-enhancement work on exclusive-use portion	From: May 2012 To: Jul. 2012	21	—	—
RESIDIA Shibaura (Minato-ku, Tokyo)	Intercom replacement work	From: Mar. 2012 To: Jul. 2012	16	—	—
RESIDIA Shibaura (Minato-ku, Tokyo)	Value-enhancement work on exclusive-use portion	From: May 2012 To: Jul. 2012	15	—	—

2. Capital Expenditures for the Current Period

The following table lists the major capital expenditures for renovations conducted in the current period. The total capital expenditures during this fiscal period was 224 million yen for the entire portfolio and, when combined repairs and maintenance cost of 322 million yen, it totals 546 million yen.

(million yen)

Name of real estate, etc. (Location)	Purpose	Implementation period	Amount paid
RESIDIA Kichijoji (Musashino-shi, Tokyo)	Major repair work	From: Sep. 2011 To: Dec. 2011	31
Chester House Kawaguchi (Kawaguchi-shi, Saitama)	Major repair work	From: Oct. 2011 To: Jan. 2012	27
RESIDIA TOWER Meguro-Fudomae (Shinagawa-ku, Tokyo)	Work to switch lighting in common areas to LED lighting	January 2011	13
Other real estate	Renewal work, etc.		151
Total			224

(Note) Monetary amounts are rounded down to the nearest million yen. Accordingly, the sum total of the itemized figures does not necessarily add up to the "Total" amount entered in the foregoing table.

3. Cash Reserves for Upgrades and Renovations

Based on medium to long-term upgrades and renovation plans for each property, ADR sets aside the following cash reserves, derived from cash flows of depreciation and amortization (including those accompanying retained earnings).

(million yen)

Fiscal period	1 st Fiscal Period	2 nd Fiscal Period	3 rd Fiscal Period
Operating period	From: Mar. 1, 2010 To: Jan. 31, 2011	From: Feb. 1, 2011 To: July 31, 2011	From: Aug. 1, 2011 To: Jan. 31, 2012
Balance of reserves at beginning of period	1,899	1,899	1,843
Amount of reserves during period	—	460	245
Reversal of reserves during period	—	516	341
Amount carried forward to next period	1,889	1,843	1,748

Expenses and Liabilities

1. Expenses regarding Entrustment, etc.

(thousand yen)

Item	2 nd Fiscal Period	3 rd Fiscal Period
(a) Asset management fee (Note 1) (Note 2)	661,333	739,700
(b) Asset custody fee	11,928	11,860
(c) Administrative service fees	65,637	66,729
(d) Directors' compensations	2,400	2,400
(e) Other	211,152	244,557
Total	952,452	1,065,248

Notes 1. Asset management fee is the sum total amount of the base fee and incentive fee.

2. In addition to the amount above, 128,450 thousand yen in acquisition fee was included in the acquisition price of real estate, etc. In addition, 22,487 thousand yen in disposition fee was added to / deducted from the gain/loss on sales of real estate properties.

2. Loans

The following lists the loans from financial institutions as of January 31, 2012.

Account	Lender(s)	Drawdown date	Balance at beginning of 3 rd Fiscal Period (million yen)	Balance at end of 3 rd Fiscal Period (million yen)	Interest rate (Note 1)	Repayment date	Repayment method	Use	Remarks
Short-term loans payable	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Nov. 18, 2011	—	320	1.23%	Nov. 19, 2012	Lump-sum redemption at maturity	(Note 6)	Unsecured Unguaranteed
	The Sumitomo Trust & Banking Co., Ltd.		—	320					
	Sumitomo Mitsui Banking Corporation		—	200					
	Mizuho Corporate Bank, Ltd.		—	200					
Subtotal			—	1,040					
Current portion of long-term loans payable	The Dai-ichi Life Insurance Company, Limited	Aug. 29, 2006	903	—	—	Aug. 31, 2011	Lump-sum redemption at maturity	(Note 3)	Unsecured Unguaranteed
	Taiyo Life Insurance Company	Dec. 26, 2006	1,354	—	—	Dec. 26, 2011		(Note 3)	
	The Dai-ichi Life Insurance Company, Limited		903	—				(Note 3)	
	Mitsui Sumitomo Insurance Co., Ltd.		903	—				(Note 3)	
	The Norinchukin Bank		4,516	—				—	
	The Hachijuni Bank, Ltd.	903	—	(Note 3)					
	Taiyo Life Insurance Company	Sept. 19, 2007	—	903	1.79%	Sept. 19, 2012		(Note 3)	
	Development Bank of Japan Inc.	Nov. 30, 2007	—	1,806	1.74%	Nov. 30, 2012		(Note 3)	
	Shinsei Bank, Limited	Jan. 25, 2008	921	—	—	Jan. 25, 2012		(Note 4)	
	Development Bank of Japan Inc.		921	—					
	Mitsubishi UFJ Trust and Banking Corporation		921	—					
	Resona Bank, Limited		921	—					
	Aozora Bank, Ltd.		460	—					
	Oita Bank Co., Ltd.		460	—					
	The Hachijuni Bank, Ltd.		460	—					
	Aozora Bank, Ltd.		—	1,382					
	The Sumitomo Trust & Banking Co., Ltd.	—	921						
	Development Bank of Japan Inc.	—	921						
	Resona Bank, Limited	—	921						
	The Sumitomo Trust & Banking Co., Ltd.	June 25, 2008	1,797	1,797	2.22% (Note 2)	June 25, 2012		(Note 5)	
	The Nishi-Nippon City Bank Ltd.		1,382	1,382					
	Resona Bank, Limited		921	921					
	Aozora Bank, Ltd.		875	875					
	Development Bank of Japan Inc.	June 27, 2008	—	1,806	0.86%	Nov. 30, 2012		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	June 30, 2009	2,711	2,711	1.93%	June 29, 2012		(Note 5)	
	Aozora Bank, Ltd.		535	535					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Oct. 22, 2009	1,815	1,815	1.98%	Apr. 27, 2012		(Note 6)	
	The Sumitomo Trust & Banking Co., Ltd.		1,815	1,815					
	Sumitomo Mitsui Banking Corporation		1,815	1,815					

Account	Lender(s)	Drawdown date	Balance at beginning of 3 rd Fiscal Period (million yen)	Balance at end of 3 rd Fiscal Period (million yen)	Interest rate (Note 1)	Repayment date	Repayment method	Use	Remarks	
Current portion of long-term loans payable	Development Bank of Japan Inc.	Oct. 22, 2009	250	250	3.10%	(Note 7)	Installment	(Note 6)	Unsecured Unguaranteed	
	The Sumitomo Trust & Banking Co., Ltd.	Nov. 25, 2009	921	—	—	Nov. 30, 2011	Lump-sum redemption at maturity	(Note 5)		
	Aozora Bank, Ltd.		1,843	—						
	Mizuho Corporate Bank, Ltd.		921	—						
	Mitsubishi UFJ Trust and Banking Corporation		1,843	—						
	Development Bank of Japan Inc.	Nov. 25, 2009	50	824	1.92%	(Note 8)	Installment	(Note 5)		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Nov. 30, 2009	2,722	—	—	Aug. 31, 2011		(Note 5)		
	The Chuo Mitsui Trust and Banking Company, Limited		1,205	—						
	Mitsubishi UFJ Trust and Banking Corporation		933	—						
	The Sumitomo Trust & Banking Co., Ltd.		1,166	—						
	Resona Bank, Limited		1,861	—						
	Aozora Bank, Ltd.		622	—						
	The Norinchukin Bank		972	—						
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Feb. 19, 2010	—	2,714	1.53%	Jan. 25, 2013	Lump-sum redemption at maturity	(Note 5)		
	The Chuo Mitsui Trust and Banking Company, Limited		—	1,806						
	Mitsubishi UFJ Trust and Banking Corporation		—	1,806						
	The Sumitomo Trust & Banking Co., Ltd.		—	1,806						
	Aozora Bank, Ltd.		—	907						
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	May 31, 2010	1,806	1,806	1.54%	Apr. 27, 2012		(Note 5)		
	Sumitomo Mitsui Banking Corporation		1,806	1,806						
	The Sumitomo Trust & Banking Co., Ltd.		1,625	1,625						
	Mitsubishi UFJ Trust and Banking Corporation		1,625	1,625						
	The Chuo Mitsui Trust and Banking Company, Limited		1,174	1,174						
Development Bank of Japan Inc.	Feb. 17, 2011	13	13	1.86%	(Note 9)	Installment	(Note 6)			
Subtotal			51,594	40,505						
Long-term loans payable	Taiyo Life Insurance Company	Sept. 19, 2007	903	—	—	Sept. 19, 2012	Lump-sum redemption at maturity	(Note 3)	Unsecured Unguaranteed	
	Development Bank of Japan Inc.	Nov. 30, 2007	1,806	—	—	Nov. 30, 2012		(Note 3)		
	Aozora Bank, Ltd.	Jan. 25, 2008	1,382	—	—	Jan. 25, 2013		(Note 4)		
	The Sumitomo Trust & Banking Co., Ltd.		921	—						
	Development Bank of Japan Inc.		921	—						
	Resona Bank, Limited		921	—						
	Mizuho Corporate Bank, Ltd.	June 25, 2008	2,765	2,765	2.45% (Note 2)	June 25, 2013		(Note 5)		
	Aozora Bank, Ltd.		1,382	1,382						
	Resona Bank, Limited		921	921						
	Development Bank of Japan Inc.	June 25, 2008	2,304	2,304	2.70%	June 25, 2015		(Note 5)		
	Development Bank of Japan Inc.	June 27, 2008	1,806	—	—	Nov. 30, 2012		(Note 3)		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Aug. 31, 2009	3,172	2,965	2.18%	Apr. 30, 2013	(Note 5)			
	The Sumitomo Trust & Banking Co., Ltd.		3,772	3,526						
	Sumitomo Mitsui Banking Corporation		2,258	2,110						
	Development Bank of Japan Inc.	Oct. 22, 2009	3,929	3,804	3.10%	(Note 7)	Installment	(Note 6)		
	Development Bank of Japan Inc.	Nov. 25, 2009	799	—	—	(Note 8)		(Note 5)		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Feb. 19, 2010	2,714	—	—	Jan. 25, 2013		(Note 5)		
	The Chuo Mitsui Trust and Banking Company, Limited		1,806	—						
	Mitsubishi UFJ Trust and Banking Corporation		1,806	—						
	The Sumitomo Trust & Banking Co., Ltd.		1,806	—						
	Aozora Bank, Ltd.		907	—						
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 31, 2010	1,384	1,384	1.59%	Mar. 29, 2013	Lump-sum redemption at maturity	(Note 5)		
	The Sumitomo Trust & Banking Co., Ltd.		1,384	1,384						
	Mizuho Corporate Bank, Ltd.	Sept. 22, 2010	1,147	1,147	1.50% (Note 2)	Sept. 21, 2013		(Note 6)		
	Mizuho Trust & Banking		573	573						
	The Sumitomo Trust & Banking Co., Ltd.	Nov. 25, 2010	2,610	2,610	1.38% (Note 2)	Nov. 15, 2013		(Note 5)		
	Sumitomo Mitsui Banking Corporation		1,770	1,770						
Aozora Bank, Ltd.	1,530		1,530							
Development Bank of Japan Inc.	Nov. 25, 2010	956	956	1.90%	Nov. 24, 2017		(Note 5)			

I. Asset Management Report

Account	Lender(s)	Drawdown date	Balance at beginning of 3 rd Fiscal Period (million yen)	Balance at end of 3 rd Fiscal Period (million yen)	Interest rate (Note 1)	Repayment date	Repayment method	Use	Remarks	
Long-term loans payable	Sumitomo Mitsui Banking Corporation	Nov. 30, 2010	1,806	1,806	1.38% (Note 2)	Nov. 15, 2013	Lump-sum redemption at maturity	(Note 5)	Unsecured Unguaranteed	
	Mizuho Corporate Bank, Ltd.	Sept. 22, 2010	1,147	1,147	1.50% (Note 2)	Sept. 21, 2013		(Note 6)		
	Mizuho Trust & Banking		573	573				(Note 6)		
	The Sumitomo Trust & Banking Co., Ltd.	Nov. 25, 2010	2,610	2,610	1.38% (Note 2)	Nov. 15, 2013		(Note 5)		
	Sumitomo Mitsui Banking Corporation		1,770	1,770				(Note 5)		
	Aozora Bank, Ltd.		1,530	1,530				(Note 5)		
	Development Bank of Japan Inc.	Nov. 25, 2010	956	956	1.90%	Nov. 24, 2017		(Note 5)		
	Sumitomo Mitsui Banking Corporation	Nov. 30, 2010	1,806	1,806	1.38% (Note 2)	Nov. 15, 2013		(Note 5)		
	Mizuho Corporate Bank, Ltd.	Feb. 17, 2011	8,664	8,664	1.62% (Note 2)	Feb. 17, 2014		(Note 6)		
	Mizuho Trust & Banking Co., Ltd.		4,332	4,332						
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Feb. 17, 2011	443	443	1.62% (Note 2)	Feb. 17, 2014		(Note 6)		
	The Sumitomo Trust & Banking Co., Ltd.		443	443						
	Sumitomo Mitsui Banking Corporation		354	354						
	Mitsubishi UFJ Trust and Banking Corporation		265	265						
	Development Bank of Japan Inc.	Feb. 17, 2011	245	238	1.86%	(Note 9)		Installment		(Note 6)
	Mizuho Corporate Bank, Ltd.	Mar. 1, 2011	1,083	1,083	1.68% (Note 2)	Feb. 29, 2016		Lump-sum redemption at maturity		(Note 3)
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 1, 2011	492	492	1.68% (Note 2)	Feb. 29, 2016	(Note 3)			
	The Sumitomo Trust & Banking Co., Ltd.		492	492						
	Sumitomo Mitsui Banking Corporation		2,264	2,264						
	Shinsei Bank, Limited		295	295						
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 10, 2011	500	500	1.69% (Note 2)	Feb. 29, 2016	(Note 3)			
	The Sumitomo Trust & Banking Co., Ltd.		500	500						
	Shinsei Bank, Limited		700	700						
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		Apr. 28, 2011	3,500			3,500	1.75% (Note 2)		Apr. 28, 2017
	Mitsubishi UFJ Trust and Banking Corporation	3,700		3,700						
	The Chuo Mitsui Trust and Banking Company, Limited	2,000		2,000						
	Mitsubishi UFJ Trust and Banking Corporation	May. 31, 2011	2,500	2,500	1.52% (Note 2)	Feb. 29, 2016	(Note 3)			
	Sumitomo Mitsui Banking Corporation	June 30, 2011	2,700	2,700	1.59% (Note 2)	June 30, 2017	(Note 5)			
	The Sumitomo Trust & Banking Co., Ltd.	June 30, 2011	890	890	1.76% (Note 2)	June 29, 2018	(Note 5)			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Aug. 31, 2011	—	1,600	1.01% (Note 2)	Jan. 31, 2015	(Note 5)			
	Resona Bank, Limited		—	2,000						
	The Bank of Fukuoka, Ltd.		—	1,000						
	Aozora Bank, Ltd.		—	700						
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Aug. 31, 2011	—	500	1.16% (Note 2)	Dec. 18, 2015	(Note 5)			
	The Sumitomo Trust & Banking Co., Ltd.		—	500						
	Mitsubishi UFJ Trust and Banking Corporation		—	1,000						
	The Norinchukin Bank		—	1,000						
	The Bank of Fukuoka, Ltd.	Aug. 31, 2011	—	1,000	1.31% (Note 2)	Jan. 31, 2017	(Note 5)			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	500						
	The Sumitomo Trust & Banking Co., Ltd.	Aug. 31, 2011	—	500	1.16% (Note 2)	Dec. 18, 2015	(Note 3)			
	Aozora Bank, Ltd.		—	2,000						
	Sumitomo Mitsui Banking Corporation	Aug. 31, 2011	—	1,000	1.31% (Note 2)	Jan. 31, 2017	(Note 3)			
	Resona Bank, Limited	Aug. 31, 2011	—	2,000	1.31% (Note 2)	Jan. 31, 2017	(Note 3)			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sept. 1, 2011	—	750	1.31% (Note 2)	Jan. 31, 2017	(Note 3)			
	The Sumitomo Trust & Banking Co., Ltd.		—	750						
	Mitsubishi UFJ Trust and Banking Corporation	Sept. 29, 2011	—	1,000	1.62% (Note 2)	Sept. 28, 2018	(Note 3)			
Aozora Bank, Ltd.	Nov. 18, 2011	—	2,400	0.73%	Oct. 31, 2014	(Note 6)				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Nov. 30, 2011	—	1,300	1.57% (Note 2)	Nov. 30, 2018	(Note 5)				
The Sumitomo Trust & Banking Co., Ltd.		—	1,300							
Mizuho Corporate Bank, Ltd.		—	1,000							
Mitsubishi UFJ Trust and Banking Corporation		—	1,900							
The Norinchukin Bank	Dec. 26, 2011	—	2,000	0.80%	Dec. 18, 2015	(Note 5)				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Dec. 26, 2011	—	300	1.17% (Note 2)	Nov. 30, 2016	(Note 5)				
The Sumitomo Trust & Banking Co., Ltd.		—	300							
Sumitomo Mitsui Banking Corporation		—	450							
Mizuho Corporate Bank, Ltd.		—	450							
The Norinchukin Bank		—	2,500							
Mitsui Sumitomo Insurance		—	1,000							
Taiyo Life Insurance Company	Dec. 26, 2011	—	1,500	1.21%	Nov. 30, 2016	(Note 5)				
Sumitomo Mitsui Banking Corporation	Jan. 25, 2012	—	450	1.11% (Note 2)	Jul. 29, 2016	(Note 5)				
Mizuho Corporate Bank, Ltd.		—	1,550							
Resona Bank, Limited		—	900							

Account	Lender(s)	Drawdown date	Balance at beginning of 3 rd Fiscal Period (million yen)	Balance at end of 3 rd Fiscal Period (million yen)	Interest rate (Note 1)	Repayment date	Repayment method	Use	Remarks
Long-term loans payable	Mitsubishi UFJ Trust and Banking Corporation	Jan. 25, 2012	—	500	1.43% (Note 2)	Jul. 31, 2018	Lump-sum redemption at maturity	(Note 5)	Unsecured Unguaranteed
	The Sumitomo Trust & Banking Co., Ltd.		—	500					
	Sumitomo Mitsui Banking Corporation		—	650					
	Mizuho Corporate Bank, Ltd		—	500					
	Mitsubishi UFJ Trust and Banking Corporation		—	900					
	Development Bank of Japan Inc.		—	1,000					
	Shinsei Bank, Limited		—	1,500					
Subtotal			88,544	111,956					
Total			140,139	153,502					

- Notes 1. "Interest rate" is the borrowing interest rate (weighted average of balance at the end of the fiscal period) for each loan agreement, rounded to two decimal places.
2. Concerning loans for which an interest rate swap transaction has been made for the purpose of hedging the risk of interest rate fluctuations, the interest rate is that after the fixing of the interest rate to reflect the effect of the interest rate swap.
3. The funds are used to fund the acquisition of specified assets.
4. The funds are used to fund the acquisition of specified assets and repayment of existing loans.
5. The funds are used to fund the repayment of existing loans.
6. The funds are used to fund the redemption of existing investment corporation bonds.
7. The repayment method agreed upon is that the first repayment shall be due on the last day of February 2010 and subsequent repayments shall be due at the end of every February, May, August and November thereafter each in the amount of 62,500 thousand yen of principal, until lump-sum repayment of the remaining principal shall be due on September 30, 2014.
8. The repayment method agreed upon is that the first repayment shall be due on the last day of February 2010 and subsequent repayments shall be due at the end of every February, May, August and November thereafter each in the amount of 12,500 thousand yen of principal, until lump-sum repayment of the remaining principal shall be due on November 30, 2012.
9. The repayment method agreed upon is that the first repayment shall be due on the last day of April 2011 and subsequent repayments shall be due at the end of every January, April, July and November thereafter each in the amount of 3,375 thousand yen of principal, until lump-sum repayment of the remaining principal shall be due on February 17, 2016.

3. Investment Corporation Bonds

The following lists the outstanding investment corporation bonds issued by ADR as of January 31, 2012.

Name (Note 1)	Issue date	Balance at beginning of 3 rd Fiscal Period (million yen)	Balance at end of 3 rd Fiscal Period (million yen)	Coupon rate (%) (Note 2)	Redemption date	Redemption method	Use	Remarks
ADR Bond #1 (Unsecured)	Nov. 21, 2007	5,000	—	—	Nov. 21, 2011	Lump-sum redemption at maturity	(Note 3)	Unsecured
ADR Bond #2 (Unsecured)	Nov. 21, 2007	5,000	5,000	2.03	Nov. 21, 2012	Lump-sum redemption at maturity	(Note 3)	Unsecured
NRI Bond #3 (Unsecured)	Sept. 26, 2005	9,700	9,700	1.28	Sept. 24, 2012	Lump-sum redemption at maturity	(Note 4)	Unsecured
NRI Bond #7 (Unsecured)	Feb. 9, 2007	12,000	12,000	1.84	Feb. 9, 2012	Lump-sum redemption at maturity	(Note 3)	Unsecured
NRI Bond #9 (Unsecured)	Sept. 13, 2007	10,000	—	—	Sept. 13, 2011	Lump-sum redemption at maturity	(Note 5)	Unsecured
NRI Bond #10 (Unsecured)	Sept. 13, 2007	4,800	4,800	1.90	Sept. 13, 2012	Lump-sum redemption at maturity	(Note 5)	Unsecured
ADR Bond #13 (Unsecured)	Sept. 12, 2011	—	8,000	1.27	Sept. 12, 2016	Lump-sum redemption at maturity	(Note 6)	Unsecured
ADR Bond #14 (Unsecured)	Sept. 12, 2011	—	2,000	1.68	Sept. 12, 2018	Lump-sum redemption at maturity	(Note 6)	Unsecured
Total		46,500	41,500					

- Notes 1. The bonds come with pari passu clause among specified investment corporation bonds.
2. "Coupon rate" is rounded to two decimal places.
3. The funds are used to fund the repayment of existing loans.
4. The funds are used to fund the acquisition of specified assets and repayment of existing loans.
5. The funds are used to fund the acquisition of specified assets and repayment of existing loans, and as working capital.
6. The funds are used to fund the redemption of existing investment corporation bonds.
7. NRI Bond #7 (Unsecured) was redeemed on February 9, 2012.

4. Short-Term Investment Corporation Bonds

Not applicable.

Acquisitions and Disposals

1. Acquisitions and Disposals of Properties and Asset-Backed Securities

Property no.	Property name	Acquisition		Disposition			
		Acquisition date	Acquisition price ^(Note 1) (million yen)	Disposition date	Disposition price ^(Note 1) (million yen)	Book value (million yen)	Gain (Loss) on sales ^(Note 2) (million yen)
P-89	RESIDIA TOWER Nakameguro	Aug. 31, 2011	3,300	—	—	—	—
C-54	RESIDIA Tsukishima III	Aug. 31, 2011	2,570	—	—	—	—
C-55	RESIDIA Minamisenjyu	Sept. 1, 2011	2,580	—	—	—	—
R-39	RESIDIA Edobori	Sept. 1, 2011	1,400	—	—	—	—
C-56	RESIDIA Ogikubo	Sept. 29, 2011	1,710	—	—	—	—
R-40	RESIDIA Kyomachibori	Sept. 30, 2011	1,000	—	—	—	—
—	Equity interests in silent partnership with Godo Kaisha RBFA as operator	Aug. 30, 2011	10	—	—	—	—
—	Equity interests in silent partnership with Godo Kaisha RBFA2 as operator	Dec. 14, 2011	275	—	—	—	—
P-82	RESIDIA Ohi	—	—	Aug. 4, 2011	905	887	-3
P-44	RESIDIA Ookayama	—	—	Aug. 5, 2011	961	942	-0
P-27	RESIDIA Hiroo	—	—	Aug. 12, 2011	655	641	-1
P-17	RESIDIA Shibadaimon	—	—	Aug. 19, 2011	1,305	1,279	-2
C-11	RESIDIA Ueno	—	—	Aug. 19, 2011	671	657	-0
Total			12,845		4,497	4,408	-7

Notes 1. "Acquisition price" or "Disposition price" is the amount exclusive of the various expenses required in the acquisition or disposition of the concerned real estate, etc. (broker commission, taxes and public dues, etc.) (the purchase or sale price entered in the transaction agreement, etc.).

2. "Gain (Loss) on sales" is the disposition price less book value and other disposition expenses.

2. Acquisitions and Disposals of Other Assets

Not applicable. Major other assets besides the above mentioned properties and asset-backed securities are basically bank deposits or bank deposits within trust assets.



3. Appraisal Values of Specified Assets

1) Real estate, etc.

	Type of asset	Property no.	Property name	Acquisition date	Acquisition price (million yen)	Value found in appraisal or valuation (million yen)
Acquisition	Real estate	P-89	RESIDIA TOWER Nakameguro	Aug. 31, 2011	3,300	3,510
		R-39	RESIDIA Edobori	Sept. 1, 2011	1,400	1,540
		C-56	RESIDIA Ogikubo	Sept. 29, 2011	1,710	1,790
		R-40	RESIDIA Kyomachibori	Sept. 30, 2011	1,000	1,100
	Real estate in trust	C-54	RESIDIA Tsukishima III	Aug. 31, 2011	2,570	2,700
		C-55	RESIDIA Minamisenjyu	Sept. 1, 2011	2,580	2,970

	Type of asset	Property no.	Property name	Acquisition date	Acquisition price (million yen)	Value found in appraisal or valuation (million yen)
Disposition	Real estate	P-44	RESIDIA Ookayama	Aug. 5, 2011	961	1,000
	Real estate in trust	P-82	RESIDIA Ohi	Aug. 4, 2011	905	933
		P-27	RESIDIA Hiroo	Aug. 12, 2011	655	689
		P-17	RESIDIA Shibadaimon	Aug. 19, 2011	1,305	1,460
		C-11	RESIDIA Ueno	Aug. 19, 2011	671	747

- Notes 1. The investigation into the value, etc. of specified assets above was conducted at the time of acquisition or disposition of assets by Deloitte Touche Tohmatsu LLC in accordance with The Japanese Institute of Certified Public Accountants' Industry Audit Practice Committee Statement No. 23 "Investigation into the Value, etc. of Specified Assets of Investment Trusts and Investment Corporations" and ADR has received that investigation report.
2. "Acquisition price" or "Disposition price" is the amount exclusive of the various expenses required in the acquisition or disposition of the concerned real estate, etc. (broker commission, taxes and public dues, etc.) (the purchase or sale price entered in the transaction agreement, etc.).

2) Silent Partnership Equity Interests

Acquisition or disposition	Name	Acquisition date	Acquisition price (thousand yen)	Investigated value of specified assets (thousand yen)
Acquisition	Equity interests in silent partnership with Godo Kaisha RBFA as operator	Aug. 30, 2011	10,000	10,000
Acquisition	Equity interests in silent partnership with Godo Kaisha RBFA2 as operator	Dec. 14, 2011	275,000	275,000

- Notes 1. The investigation into the value, etc. of specified assets above was conducted at the time of acquisition or disposition of assets by Deloitte Touche Tohmatsu LLC in accordance with The Japanese Institute of Certified Public Accountants' Industry Audit Practice Committee Statement No. 23 "Investigation into the Value, etc. of Specified Assets of Investment Trusts and Investment Corporations" and ADR has received that investigation report.
2. "Acquisition price" is the amount exclusive of the various expenses required in the acquisition of (investments in) the concerned silent partnership equity interests.

3) Others

Of the transactions engaged in by ADR that require an investigation into the value, etc. pursuant to the provisions of Article 201 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951; as amended), ADR entrusts Deloitte Touche Tohmatsu LLC with the investigation for transactions other than the transactions listed above in "1) Real Estate, etc." and "2) Silent Partnership Equity Interests".

4. Transactions with Related Parties and Major Shareholders

1) Transactions

Not applicable.

2) Amount of Commission Fees Paid

The following are the commission fees paid to related parties and major shareholders in the 3rd Fiscal Period.

Account	Total amount of commission fees, etc. (A) (thousand yen)	Breakdown of transactions with interested persons, etc. and major shareholders		Share (B) ÷ (A) (%)
		Payee	Amount paid (B) (thousand yen)	
Real estate transaction fees	212,282	ITOCHU Corporation	9,610	4.5
Trust beneficiary interests transaction fees	130,779	ITOCHU Corporation	28,814	22.0
Property management fees	996,880	ITOCHU Urban Community Ltd.	548,740	55.0
Other rental expenses	117,131	ITOCHU Urban Community Ltd.	55,852	47.7
Other fees	123,386	ITOCHU Urban Community Ltd.	36,026	29.2
		ITOCHU Human Resources & General Affairs Services Inc.	90	0.1

Notes 1. Transactions via interested persons, etc. by form or name of which the counterparty in substance is clearly a third party are not subject to disclosure.

2. Of the interested persons, etc. of the asset management company that has signed an asset management agreement with ADR as stipulated in Article 201, Paragraph 1 of the Act on Investment Trusts and Investment Corporations and Article 123 of the Enforcement Order thereof and the major shareholders of the asset management company as defined in Article 29-4, Paragraph 2 of the Financial Instruments and Exchange Act, those with which ADR engaged in transactions in the 3rd Fiscal Period were ITOCHU Corporation, ITOCHU Urban Community Ltd. and ITOCHU Human Resources & General Affairs Services Inc.

5. Transactions with the Asset Management Company Pertaining to Business Operated by the Asset Management Company as Subsidiary Business

There are no such transactions in which the asset management company concurrently operates any business that is a type I financial instruments business, type II financial instruments business, building lots and buildings transaction business or real estate specified joint enterprise.

Accounts

1. Assets, Liabilities, Principal, Income and Losses

Please refer to the accompanying “II. Balance Sheets,” “III. Statements of Income,” “IV. Statements of Changes in Unitholders’ Equity,” “V. Notes to Financial Statements” and “VI. Statements of Cash Distributions”.

2. Change in Depreciation Calculation Method

Not applicable.

3. Change in Method of Valuation of Properties

Not applicable.

4. Beneficiary Certificates of Self-Managed Investment Trust

Not applicable.

Other

1. Notice

(1) ADR's 1st general unitholders' meeting was held on October 28, 2011.

The following summarizes the matters approved at the general unitholders' meeting.

Proposal	Overview
No. 1 Changes in Part of Articles of Incorporation	<p>The following matters were changed in ADR's Articles of Incorporation.</p> <ul style="list-style-type: none"> • Necessary establishment of new provisions and changes in the wording, etc. were made in accordance with revision of the Act on Special Measures Concerning Taxation and the Order for Enforcement of the Act on Special Measures Concerning Taxation • New provisions were established concerning the period during which resolution on the appointment of substitute directors shall remain in force • Provisions were changed concerning the type of assets that are the targets of asset management • Necessary changes in the wording, etc. were made in order to change the asset valuation method for investments in silent partnership equity interests concerning real estate and other assets to a reasonable method • The Articles of Incorporation were simplified by deleting provisions that were made upon the establishment of ADR of which the clauses are no longer necessary or the clauses have had the procedures completed, and other necessary changes for changing the wording, revising expressions, realigning article numbers, etc. were made
No. 2 Appointment of 1 Executive Director	Kenji Kousaka was appointed executive director.
No. 3 Appointment of 1 Substitute Executive Director	Takeshi Takano was appointed substitute executive director.
No. 4 Appointment of 2 Supervisory Directors	Shujiro Matsuda and Yoshiki Oshima were appointed supervisory directors.
No. 5 Appointment of 2 Substitute Supervisory Directors	Kesao Endo and Satoru Kobayashi were appointed substitute supervisory directors.

(2) The following summarizes the main signing, changes, etc. of major agreements approved at a meeting of the board of directors of ADR in this fiscal period.

Approval date	Item	Overview
August 26, 2011	Entrustment of administration associated with issuance of investment corporation bonds	Agent selected concerning entrustment of administration associated with issuance of ADR Bond #13 (Unsecured) and ADR Bond #14 (Unsecured).
January 12, 2012	Issuance of new units and secondary distribution of units	Decision made to issue new units through primary offering in Japan, as well as to issue new units by way of third-party allotment upon exercise of the green shoe option.
	Signing of underwriting agreement for new units, etc.	Upon issuance of new units, Mizuho Securities Co., Ltd. entrusted with administration for offering of units.

2. Other

Unless otherwise stated, monetary amounts are rounded down and percentage figures are rounded to the nearest specified unit in this document.



II. Balance Sheets

	(thousand yen)	
	2 nd Fiscal Period (as of July 31, 2011)	3 rd Fiscal Period (as of January 31, 2012)
Assets		
Current assets		
Cash and deposits	8,573,398	9,165,380
Cash and deposits in trust	5,739,346	5,844,046
Operating accounts receivable	294,428	264,025
Short-term investment securities	3,000,000	2,000,000
Prepaid expenses	301,870	308,157
Consumption taxes receivable	—	12,767
Other	10,609	12,652
Allowance for doubtful accounts	-39,909	-21,647
Total current assets	17,879,743	17,585,382
Fixed assets		
Property, plant and equipment		
Buildings	68,853,220	72,297,097
Accumulated depreciation	-2,058,631	-2,830,161
Buildings, net	66,794,588	69,466,935
Structures	5,118	6,340
Accumulated depreciation	-326	-523
Structures, net	4,791	5,817
Machinery and equipment	—	1,785
Accumulated depreciation	—	-40
Machinery and equipment, net	—	1,744
Tools, furniture and fixtures	62,401	68,121
Accumulated depreciation	-24,066	-31,773
Tools, furniture and fixtures, net	38,334	36,348
Land	65,184,714	68,868,819
Buildings in trust	91,218,487	93,934,944
Accumulated depreciation	-5,635,749	-6,614,074
Buildings in trust, net	85,582,738	87,320,870
Structures in trust	128,041	141,254
Accumulated depreciation	-41,844	-46,116
Structures in trust, net	86,196	95,137
Machinery and equipment in trust	111,616	111,616
Accumulated depreciation	-33,635	-37,252
Machinery and equipment in trust, net	77,980	74,364
Tools, furniture and fixtures in trust	436,368	444,731
Accumulated depreciation	-247,352	-262,091
Tools, furniture and fixtures in trust, net	189,016	182,640
Land in trust	111,246,617	110,457,838
Total property, plant and equipment	329,204,979	336,510,515
Intangible assets		
Leasehold right	1,071,902	1,071,902
Leasehold rights in trust	—	133,788
Other	2,350	2,051
Total intangible assets	1,074,253	1,207,743
Investments and other assets		
Investment securities	—	290,042
Long-term prepaid expenses	516,160	581,988
Guarantee deposits	451,651	644,641
Other	1,704	1,654
Total investments and other assets	969,516	1,518,327
Total fixed assets	331,248,750	339,236,586
Deferred assets		
Unit issuance expenses	21,019	15,286
Investment corporation bond issuance costs	8,951	54,425
Total deferred assets	29,970	69,711
Total assets	349,158,463	356,891,681

(thousand yen)

	2 nd Fiscal Period (as of July 31, 2011)	3 rd Fiscal Period (as of January 31, 2012)
Liabilities		
Current liabilities		
Operating accounts payable	158,823	201,449
Short-term loans payable	—	1,040,000
Current portion of investment corporation bond	27,000,000	31,500,000
Current portion of long-term loans payable	51,594,701	40,505,729
Accounts payable – other	870,448	894,322
Accrued expenses	470,023	390,446
Accrued consumption taxes	152,339	—
Advances received	126,631	42,433
Interest received in advance	11,269	—
Derivatives liabilities	12,723	—
Other	59,335	55,238
Total current liabilities	80,456,297	74,629,618
Long-term liabilities		
Investment corporation bond	19,500,000	10,000,000
Long-term loans payable	88,544,511	111,956,450
Tenant leasehold and security deposits	1,202,363	1,242,884
Tenant leasehold and security deposits in trust	1,588,952	1,604,341
Long-term deposits received	36,040	29,692
Other	2,318	536
Total long-term liabilities	110,874,186	124,833,905
Total liabilities	191,330,483	199,463,523
Net assets		
Unitholders' equity		
Paid-in Capital	64,561,818	64,561,818
Surplus		
Capital surplus	53,220,279	53,220,279
Reserve for dividends	38,653,653	35,648,605
Unappropriated retained earnings (undisposed loss)	1,404,952	3,997,454
Total surplus	93,278,884	92,866,339
Total unitholders' equity	157,840,703	157,428,157
Valuation and translation adjustments		
Deferred gains or losses on hedges	-12,722	—
Total valuation and translation adjustments	-12,722	—
Total net assets	*1 157,827,980	*1 157,428,157
Total liabilities and net assets	349,158,463	356,891,681

III. Statements of Income

(thousand yen)

	2 nd Fiscal Period	3 rd Fiscal Period
	From: February 1, 2011 To: July 31, 2011	From: August 1, 2011 To: January 31, 2012
Operating revenue		
Rent revenue - real estate	*1 11,345,660	*1 11,252,363
Dividends income	—	7,559
Total operating revenue	11,345,660	11,259,923
Operating expenses		
Expenses related to rent business	*1 4,199,596	*1 4,202,648
Loss on sales of real estate properties	*2 2,000,813	*2 7,480
Impairment loss	*3 739,529	—
Asset management fee	661,333	739,700
Asset custody fee	11,928	11,860
Administrative service fees	65,637	66,729
Directors' compensations	2,400	2,400
Taxes and dues	24,333	66,578
Provision of allowance for doubtful accounts	3,927	—
Bad debts expenses	93	213
Other operating expenses	182,797	177,765
Total operating expenses	7,892,390	5,275,376
Operating income	3,453,269	5,984,546
Non-operating income		
Interest income	8,659	8,619
Interest on securities	1,335	1,229
Reversal of distribution payable	5,232	6,428
Reversal of allowance for doubtful accounts	—	1,662
Other	5,405	2,160
Total non-operating income	20,632	20,100
Non-operating expenses		
Interest expenses	1,247,293	1,263,473
Interest expenses on investment corporation bonds	367,517	364,055
Amortization of unit issuance expenses	5,732	5,732
Amortization of investment corporation bond issuance costs	6,176	8,741
Other offering costs associated with the issuance of units	—	27,816
Borrowing related expenses	375,797	323,301
Other	5,819	13,467
Total non-operating expenses	2,008,336	2,006,587
Ordinary income	1,465,565	3,998,059
Extraordinary loss		
Loss on disaster	60,008	—
Total extraordinary loss	60,008	—
Income before income taxes	1,405,557	3,998,059
Income taxes – current	605	605
Income taxes – deferred	605	605
Net income	1,404,952	3,997,454
Unappropriated retained earnings (undisposed loss)	1,404,952	3,997,454

(thousand yen)

	2 nd Fiscal Period	3 rd Fiscal Period
	From: February 1, 2011 To: July 31, 2011	From: August 1, 2011 To: January 31, 2012
Unitholders' equity		
Paid-in capital		
Balance at the beginning of current period	64,561,818	64,561,818
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	64,561,818	64,561,818
Surplus		
Capital surplus		
Balance at the beginning of current period	53,220,279	53,220,279
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	53,220,279	53,220,279
Reserve for dividends		
Balance at the beginning of current period	—	38,653,653
Changes of items during the period		
Provision of reserve for dividends	38,653,653	—
Reversal of reserve for dividends	—	-3,005,047
Total changes of items during the period	38,653,653	-3,005,047
Balance at the end of current period	38,653,653	35,648,605
Unappropriated retained earnings (undisposed loss)		
Balance at the beginning of current period	46,738,653	1,404,952
Changes of items during the period		
Reversal of reserve for dividends	-38,653,653	—
Provision of reserve for dividends	—	3,005,047
Dividends from surplus	-8,085,000	-4,410,000
Net income	1,404,952	3,997,454
Total changes of items during the period	-45,333,701	2,592,502
Balance at the end of current period	1,404,952	3,997,454
Total surplus		
Balance at the beginning of current period	99,958,932	93,278,884
Changes of items during the period		
Provision of reserve for dividends	—	—
Reversal of reserve for dividends	—	—
Dividends from surplus	-8,085,000	-4,410,000
Net income	1,404,952	3,997,454
Total changes of items during the period	-6,680,047	-412,545
Balance at the end of current period	93,278,884	92,866,339
Total unitholders' equity		
Balance at the beginning of current period	164,520,751	157,840,703
Changes of items during the period		
Dividends from surplus	-8,085,000	-4,410,000
Net income	1,404,952	3,997,454
Total changes of items during the period	-6,680,047	-412,545
Balance at the end of current period	157,840,703	157,428,157
Valuation and translation adjustments		
Deferred gains or losses on hedges		
Balance at the beginning of current period	-62,380	-12,722
Changes of items during the period		
Net changes of items other than unitholders' equity	49,658	12,722
Total changes of items during the period	49,658	12,722
Balance at the end of current period	-12,722	—
Total valuation and translation adjustments		
Balance at the beginning of current period	-62,380	-12,722
Changes of items during the period		
Net changes of items other than unitholders' equity	49,658	12,722
Total changes of items during the period	49,658	12,722
Balance at the end of current period	-12,722	—
Total net assets		
Balance at the beginning of current period	164,458,370	157,827,980
Changes of items during the period		
Dividends from surplus	-8,085,000	-4,410,000
Net income	1,404,952	3,997,454
Net changes of items other than unitholders' equity	49,658	12,722
Total changes of items during the period	-6,630,389	-399,823
Balance at the end of current period	157,827,980	157,428,157

Notes on Matters Concerning Significant Accounting Policies

	2 nd Fiscal Period From: February 1, 2011 To: July 31, 2011	3 rd Fiscal Period From: August 1, 2011 To: January 31, 2012
1. Standards of valuation and method of valuation of securities	Held-to-maturity debentures Carried at amortized cost (straight-line basis).	(1) Held-to-maturity debentures Carried at amortized cost (straight-line basis). (2) Available-for-sale securities Non-marketable securities Stated at cost determined by the moving average method. Concerning investments in silent partnership, the method of factoring in the amount equivalent to equity interests corresponding to the net amount of silent partnership income (loss) is adopted.
2. Method of depreciation of fixed assets	(1) Property, plant and equipment (including assets in trust) Calculated on a straight-line basis. The useful life of the main items of property, plant and equipment are as follows: Buildings 5~46 years Structures 6~50 years Machinery and equipment 10~15 years Tools, furniture and fixtures 2~15 years (2) Intangible assets Calculated on a straight-line basis. The useful life of the main items of intangible assets are as follows: Software 5 years (3) Long-term prepaid expenses Calculated on a straight-line basis.	(1) Property, plant and equipment (including assets in trust) Calculated on a straight-line basis. The useful life of the main items of property, plant and equipment are as follows: Buildings 5~46 years Structures 6~50 years Machinery and equipment 10~15 years Tools, furniture and fixtures 2~15 years (2) Intangible assets Calculated on a straight-line basis. The useful life of the main items of intangible assets are as follows: Leasehold rights in trust 24 years Software 5 years (3) Long-term prepaid expenses Calculated on a straight-line basis.
3. Method of accounting for deferred assets	(1) Unit issuance expenses Amortized on a straight-line basis (over 3 years). (2) Investment corporation bond issuance costs Amortized on a straight-line basis over the period up to redemption of the investment corporation bonds.	(1) Unit issuance expenses Amortized on a straight-line basis (over 3 years). (2) Investment corporation bond issuance costs Amortized on a straight-line basis over the period up to redemption of the investment corporation bonds.
4. Standards of recording allowances	Allowance for doubtful accounts Allowance for doubtful accounts provides for possible losses arising from default on receivables based on historical loan loss ratios for general receivables and based on a case-by-case examination of collectability for doubtful and other specific receivables.	Allowance for doubtful accounts Allowance for doubtful accounts provides for possible losses arising from default on receivables based on historical loan loss ratios for general receivables and based on a case-by-case examination of collectability for doubtful and other specific receivables.
5. Standards of recording revenue and expenses	Method of accounting for real property tax, etc. Concerning real property tax, urban planning tax, depreciable asset tax, etc. for real estate, etc. held, of the tax amount that has been broken down into installments, the method of accounting for the amount corresponding to the fiscal period under review by charging it to expenses as expenses related to rent business is adopted. Concerning the amount of reimbursement of the pro rata portion of real property tax, etc. paid to the buyer upon the acquisition of real estate, etc., the amount is included in the acquisition cost of the applicable real estate, etc. The amount equivalent to real property tax, etc. included in the acquisition cost of real estate, etc. in the fiscal period under review is 30,541 thousand yen.	Method of accounting for real property tax, etc. Concerning real property tax, urban planning tax, depreciable asset tax, etc. for real estate, etc. held, of the tax amount that has been broken down into installments, the method of accounting for the amount corresponding to the fiscal period under review by charging it to expenses as expenses related to rent business is adopted. Concerning the amount of reimbursement of the pro rata portion of real property tax, etc. paid to the buyer upon the acquisition of real estate, etc., the amount is included in the acquisition cost of the applicable real estate, etc. The amount equivalent to real property tax, etc. included in the acquisition cost of real estate, etc. in the fiscal period under review is 14,483 thousand yen.

	2 nd Fiscal Period From: February 1, 2011 To: July 31, 2011	3 rd Fiscal Period From: August 1, 2011 To: January 31, 2012
6. Method of hedge accounting	<p>(1) Method of hedge accounting Special accounting is applied. Deferred hedge accounting is applied for those succeeded from Nippon Residential Investment Corporation as a result of the merger.</p> <p>(2) Hedging instruments and hedged items Hedging instruments Interest rate swap transactions Interest rate cap transactions Hedged items Loans Investment corporation bonds</p> <p>(3) Hedging policy ADR conducts derivative transactions to hedge risks stipulated in ADR's Articles of Incorporation in accordance with the financial policy.</p> <p>(4) Method for assessing the effectiveness of hedging The effectiveness of hedging is assessed by comparing the cumulative changes in the cash flows of the hedged items with the cumulative changes in the cash flows of hedging instruments, and examining the ratio of the amount of change in both. However, assessment of the effectiveness is omitted in the case of those that meet the requirements for special accounting for interest rate swap transactions and interest rate cap transactions and in the case of interest rate swap transactions and interest rate cap transactions where the material terms and conditions for hedging instruments and hedged items are identical and where a sustained effect to limit the impact of interest rate fluctuations within a certain range is clearly expected.</p>	<p>(1) Method of hedge accounting Special accounting is applied. Deferred hedge accounting is applied for those succeeded from Nippon Residential Investment Corporation as a result of the merger.</p> <p>(2) Hedging instruments and hedged items Hedging instruments Interest rate swap transactions Interest rate cap transactions Hedged items Loans Investment corporation bonds</p> <p>(3) Hedging policy ADR conducts derivative transactions to hedge risks stipulated in ADR's Articles of Incorporation in accordance with the financial policy.</p> <p>(4) Method for assessing the effectiveness of hedging The effectiveness of hedging is assessed by comparing the cumulative changes in the cash flows of the hedged items with the cumulative changes in the cash flows of hedging instruments, and examining the ratio of the amount of change in both. However, assessment of the effectiveness is omitted in the case of those that meet the requirements for special accounting for interest rate swap transactions and interest rate cap transactions and in the case of interest rate swap transactions and interest rate cap transactions where the material terms and conditions for hedging instruments and hedged items are identical and where a sustained effect to limit the impact of interest rate fluctuations within a certain range is clearly expected.</p>
7. Other significant matters that serve as basis for preparing financial statements	<p>(1) Method of accounting for beneficiary interests in trust under which real estate, etc. has been placed in trust Concerning real estate, etc. and beneficiary interests in trust under which real estate, etc. has been placed in trust, all accounts of assets and liabilities within trust assets as well as all accounts of revenue and expenses incurred from the trust assets are recorded in the relevant account item of the balance sheets and statements of income. The following material items of the trust assets recorded in the relevant account item are separately listed on the balance sheets.</p> <p>(i) Cash and deposits in trust</p> <p>(ii) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; and land in trust</p> <p>(iii) Tenant leasehold and security deposits in trust</p> <p>(2) Method of accounting for consumption tax, etc. Concerning accounting for consumption tax and local consumption tax, these taxes are excluded. However, concerning accounting for consumption tax and local consumption tax for fixed assets and deferred assets, these taxes are included.</p>	<p>(1) Method of accounting for beneficiary interests in trust under which real estate, etc. has been placed in trust Concerning real estate, etc. and beneficiary interests in trust under which real estate, etc. has been placed in trust, all accounts of assets and liabilities within trust assets as well as all accounts of revenue and expenses incurred from the trust assets are recorded in the relevant account item of the balance sheets and statements of income. The following material items of the trust assets recorded in the relevant account item are separately listed on the balance sheets.</p> <p>(i) Cash and deposits in trust</p> <p>(ii) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; and land in trust</p> <p>(iii) Tenant leasehold and security deposits in trust</p> <p>(2) Method of accounting for consumption tax, etc. Concerning accounting for consumption tax and local consumption tax, these taxes are excluded. However, concerning accounting for consumption tax and local consumption tax for fixed assets and deferred assets, these taxes are included.</p>

Notes on Changes in Accounting Policies

2 nd Fiscal Period	3 rd Fiscal Period
From: February 1, 2011 To: July 31, 2011	From: August 1, 2011 To: January 31, 2012
(Application of Accounting Standards for Asset Retirement Obligations, etc.) As of the 2 nd Fiscal Period, the “Accounting Standards for Asset Retirement Obligations” (Accounting Standards Board of Japan Statement No. 18; March 31, 2008) and the “Guidance on Accounting Standards for Asset Retirement Obligations” (Accounting Standards Board of Japan Guidance No. 21; March 31, 2008) are applied. There is no effect of this on income.	–

Additional Information

2 nd Fiscal Period	3 rd Fiscal Period
From: February 1, 2011 To: July 31, 2011	From: August 1, 2011 To: January 31, 2012
–	(Application of Accounting Standard for Accounting Changes and Error Corrections, etc.) As of accounting changes and corrections of prior period errors that are made after the beginning of the 3 rd Fiscal Period, the “Accounting Standard for Accounting Changes and Error Corrections” (Accounting Standards Board of Japan Statement No. 24; December 4, 2009) and the “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (Accounting Standards Board of Japan Guidance No. 24; December 4, 2009) are applied.

Notes to Balance Sheets

2 nd Fiscal Period (as of July 31, 2011)	3 rd Fiscal Period (as of January 31, 2012)
*1. Minimum net assets as stipulated in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations 50,000 thousand yen	*1. Minimum net assets as stipulated in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations 50,000 thousand yen
2. ADR has signed a term loan commitment agreement with its banks of account. Total amount based on term loan commitment agreement 13,000,000 thousand yen Balance of used line – thousand yen Balance of unused line 13,000,000 thousand yen	2. ADR has signed a term loan commitment agreement with its banks of account. Total amount based on term loan commitment agreement 13,000,000 thousand yen Balance of used line 1,040,000 thousand yen Balance of unused line 11,960,000 thousand yen



Notes to Statements of Income

2 nd Fiscal Period		3 rd Fiscal Period	
From: February 1, 2011 To: July 31, 2011		From: August 1, 2011 To: January 31, 2012	
*1. Breakdown of operating income (loss) from property leasing activities	(thousand yen)	*1. Breakdown of operating income (loss) from property leasing activities	(thousand yen)
A. Revenue from property leasing		A. Revenue from property leasing	
Rental revenue – real estate		Rental revenue – real estate	
Rent income	10,371,723	Rent income	10,311,918
Facility charge	333,625	Facility charge	349,004
Parking fee	328,868	Parking fee	333,596
Subtotal	11,034,218	Subtotal	10,994,518
Other revenue related to property leasing		Other revenue related to property leasing	
Income from leasing rights, etc.	23,851	Income from leasing rights, etc.	25,126
Miscellaneous income	287,590	Miscellaneous income	232,718
Subtotal	311,442	Subtotal	257,844
Total revenue from property leasing	11,345,660	Total revenue from property leasing	11,252,363
B. Expenses from property leasing		B. Expenses from property leasing	
Rental expenses		Rental expenses	
Property taxes	541,645	Property taxes	545,682
Property management fees	849,951	Property management fees	777,737
Utilities	168,677	Utilities	180,557
Repairs and maintenance	253,642	Repairs and maintenance	322,033
Insurance	20,859	Insurance	21,038
Trust fee	67,066	Trust fee	52,124
Other rental expenses	404,893	Other rental expenses	403,439
Depreciation and amortization	1,892,859	Depreciation and amortization	1,900,033
Total expenses from property leasing	4,199,596	Total expenses from property leasing	4,202,648
C. Operating income from property leasing (A–B)	7,146,064	C. Operating income from property leasing (A–B)	7,049,715
*2. Breakdown of gain (loss) on sales of real estate properties	(thousand yen)	*2. Breakdown of gain (loss) on sales of real estate properties	(thousand yen)
(RESIDIA Akasaka-Hinokicho)		(RESIDIA Shibadaimon)	
Proceeds from sales of real estate properties	4,180,000	Proceeds from sales of real estate properties	1,305,000
Cost of sales of real estate properties	4,070,248	Cost of sales of real estate properties	1,279,600
Other disposition expenses	120,440	Other disposition expenses	27,459
Gain on sales of real estate properties	10,688	Gain on sales of real estate properties	-2,060
(RESIDIA Sakai-Higashi)		(RESIDIA Hiroo)	
Proceeds from sales of real estate properties	740,000	Proceeds from sales of real estate properties	655,000
Cost of sales of real estate properties	826,497	Cost of sales of real estate properties	641,282
Other disposition expenses	24,375	Other disposition expenses	14,807
Gain on sales of real estate properties	110,873	Gain on sales of real estate properties	-1,090
(RESIDIA Fudomae)		(RESIDIA Ookayama)	
Proceeds from sales of real estate properties	1,270,000	Proceeds from sales of real estate properties	961,000
Cost of sales of real estate properties	1,605,476	Cost of sales of real estate properties	942,188
Other disposition expenses	28,039	Other disposition expenses	19,402
Gain on sales of real estate properties	363,515	Gain on sales of real estate properties	-590
(RESIDIA Kashiwa)		(RESIDIA Ohi)	
Proceeds from sales of real estate properties	405,000	Proceeds from sales of real estate properties	905,000
Cost of sales of real estate properties	553,061	Cost of sales of real estate properties	887,581
Other disposition expenses	10,569	Other disposition expenses	20,676
Gain on sales of real estate properties	158,631	Gain on sales of real estate properties	-3,257
(RESIDIA Shibuya-Daikanyama)		(RESIDIA Ueno)	
Proceeds from sales of real estate properties	1,425,000	Proceeds from sales of real estate properties	671,400
Cost of sales of real estate properties	1,656,183	Cost of sales of real estate properties	657,848
Other disposition expenses	30,872	Other disposition expenses	14,031
Gain on sales of real estate properties	262,055	Gain on sales of real estate properties	-479

2 nd Fiscal Period		3 rd Fiscal Period	
From: February 1, 2011 To: July 31, 2011		From: August 1, 2011 To: January 31, 2012	
*2.Breakdown of gain (loss) on sales of real estate properties			
	(thousand yen)		
(RESIDIA Toritsudaigaku)			
Proceeds from sales of real estate properties	540,000		
Cost of sales of real estate properties	637,863		
Other disposition expenses	12,810		
Gain on sales of real estate properties	110,673		
(RESIDIA Minami-Ikuta)			
Proceeds from sales of real estate properties	860,000		
Cost of sales of real estate properties	1,145,459		
Other disposition expenses	20,958		
Gain on sales of real estate properties	306,417		
(RESIDIA Sangubashi)			
Proceeds from sales of real estate properties	647,100		
Cost of sales of real estate properties	770,093		
Other disposition expenses	16,320		
Gain on sales of real estate properties	139,314		
(RESIDIA Akasaka II)			
Proceeds from sales of real estate properties	1,116,000		
Cost of sales of real estate properties	1,281,765		
Other disposition expenses	24,545		
Gain on sales of real estate properties	190,311		
(RESIDIA Honancho)			
Proceeds from sales of real estate properties	872,000		
Cost of sales of real estate properties	922,645		
Other disposition expenses	20,553		
Gain on sales of real estate properties	71,198		
(RESIDIA Kunitachi)			
Proceeds from sales of real estate properties	495,000		
Cost of sales of real estate properties	639,328		
Other disposition expenses	13,084		
Gain on sales of real estate properties	157,413		
(RESIDIA Hachioji)			
Proceeds from sales of real estate properties	540,000		
Cost of sales of real estate properties	558,943		
Other disposition expenses	15,322		
Gain on sales of real estate properties	34,266		
(RESIDIA Nishihonmachi)			
Proceeds from sales of real estate properties	465,000		
Cost of sales of real estate properties	531,389		
Other disposition expenses	19,063		
Gain on sales of real estate properties	85,453		

2 nd Fiscal Period		3 rd Fiscal Period	
From: February 1, 2011 To: July 31, 2011		From: August 1, 2011 To: January 31, 2012	
*3. Impairment loss		-	
In the fiscal period under review, ADR recorded impairment loss for the following asset group.			
Primary use	Type	Location	Impairment loss (thousand yen)
Rental condominium (5 buildings)	Buildings, land, buildings in trust, land in trust, etc.	Tokyo	739,529
* The name of the rental condominiums above are RESIDIA Shibadaimon, RESIDIA Hiroo, RESIDIA Ookayama, RESIDIA Ohi and RESIDIA Ueno.			
In the calculation of impairment loss, each property is considered as a single asset group. In the fiscal period under review, based on decision-making on disposition and signing of a disposition agreement for 5 of the previous fiscal period's fixed asset groups, the book value was reduced in amount to the recoverable value and the reduced amount charged to the operating expenses account as impairment loss.			
Furthermore, the impairment loss deriving from disposition is deemed to have the nature of operating expenses and the account to which it is charged is operating expenses in accordance with Article 48, Paragraph 2 of the "Regulations Concerning Accounting of Investment Corporations."			
In addition, the recoverable value of the asset groups is determined by the net disposition value. The net disposition value is calculated as the actual disposition amount net of the estimated amount of disposition expenses.			



Notes to Statements of Changes in Unitholders' Equity

2 nd Fiscal Period		3 rd Fiscal Period	
From: February 1, 2011 To: July 31, 2011		From: August 1, 2011 To: January 31, 2012	
Total number of units authorized and total number of units issued and outstanding		Total number of units authorized and total number of units issued and outstanding	
Total number of units authorized	6,000,000 units	Total number of units authorized	6,000,000 units
Total number of units issued and outstanding	980,000 units	Total number of units issued and outstanding	980,000 units

Notes on Tax-Effect Accounting

2 nd Fiscal Period		3 rd Fiscal Period	
From: February 1, 2011 To: July 31, 2011		From: August 1, 2011 To: January 31, 2012	
1. Breakdown of primary causes for occurrence of deferred tax assets and deferred tax liabilities		1. Breakdown of primary causes for occurrence of deferred tax assets and deferred tax liabilities	
	(thousand yen)		(thousand yen)
(Deferred tax assets)		(Deferred tax assets)	
Amount in excess of provision of allowance for doubtful accounts	15,696	Amount in excess of provision of allowance for doubtful accounts	7,394
Interest received in advance	4,432	Valuation difference on amount received at merger	13,860,698
Deferred gains or losses on hedges	5,003	Deficit brought forward	1,483,134
Valuation difference on amount received at merger	16,468,798	Other	814
Impairment loss	290,856	Subtotal	15,352,041
Deficit brought forward	1,707,602	Allowance for valuation	-15,352,041
Other	3,979	Total deferred tax assets	-
Subtotal	18,496,369	Net deferred tax assets	-
Allowance for valuation	-18,496,369		
Total deferred tax assets	-		
Net deferred tax assets	-		
2. Breakdown of significant components that caused difference between statutory income tax rate and effective income tax rate after application of tax-effect accounting		2. Breakdown of significant components that caused difference between statutory income tax rate and effective income tax rate after application of tax-effect accounting	
	(%)		(%)
Statutory income tax rate	39.33	Statutory income tax rate	39.33
(Adjustments)		(Adjustments)	
Increase (decrease) in allowance for valuation	-40.72	Increase (decrease) in allowance for valuation	-78.65
Other	1.43	Increase (decrease) from tax rate change	54.32
Effective income tax rate after application of tax-effect accounting	0.04	Deductible amount for dividends	-15.13
		Other	0.14
		Effective income tax rate after application of tax-effect accounting	0.02

Notes on Noncurrent Assets Used Under Lease

2 nd Fiscal Period				3 rd Fiscal Period			
From: February 1, 2011 To: July 31, 2011				From: August 1, 2011 To: January 31, 2012			
1. Finance lease transactions other than those that are recognized to be ones that transfer ownership of the leased property to the lessee				1. Finance lease transactions other than those that are recognized to be ones that transfer ownership of the leased property to the lessee			
Of the finance lease transactions other than those that transfer ownership, accounting in accordance with ordinary rental transactions is adopted for those with the lease transaction start date falling on a date earlier than July 1, 2008. The details are as follows:				Of the finance lease transactions other than those that transfer ownership, accounting in accordance with ordinary rental transactions is adopted for those with the lease transaction start date falling on a date earlier than July 1, 2008. The details are as follows:			
(As lessee)				(As lessee)			
(1) Amount equivalent to acquisition value, amount equivalent to accumulated depreciation and amount equivalent to balance at end of period for leased properties				(1) Amount equivalent to acquisition value, amount equivalent to accumulated depreciation and amount equivalent to balance at end of period for leased properties			
(thousand yen)				(thousand yen)			
	Amount equivalent to acquisition value	Amount equivalent to accumulated depreciation	Amount equivalent to balance at end of period		Amount equivalent to acquisition value	Amount equivalent to accumulated depreciation	Amount equivalent to balance at end of period
Tools, furniture and fixtures in trust	6,974	2,836	4,137	Tools, furniture and fixtures in trust	6,974	3,191	3,782
Total	6,974	2,836	4,137	Total	6,974	3,191	3,782
(Note) As the future lease payments payable balance at end of period accounts for only a small proportion of the property, plant and equipment balance at end of period, etc., calculation of the amount equivalent to acquisition value is based on the method of including interest expenses.				(Note) As the future lease payments payable balance at end of period accounts for only a small proportion of the property, plant and equipment balance at end of period, etc., calculation of the amount equivalent to acquisition value is based on the method of including interest expenses.			
(2) Amount equivalent to future lease payments payable balance at end of period				(2) Amount equivalent to future lease payments payable balance at end of period			
Due within 1 year 709 thousand yen				Due within 1 year 709 thousand yen			
Due after 1 year 3,429 thousand yen				Due after 1 year 3,075 thousand yen			
Total 4,139 thousand yen				Total 3,784 thousand yen			
(3) Lease payments paid and amount equivalent to depreciation				(3) Lease payments paid and amount equivalent to depreciation			
Lease payments paid 354 thousand yen				Lease payments paid 354 thousand yen			
Amount equivalent to depreciation 354 thousand yen				Amount equivalent to depreciation 354 thousand yen			
(4) Method of calculation of amount equivalent to depreciation				(4) Method of calculation of amount equivalent to depreciation			
Calculated on a straight-line basis, with the useful life as the lease term and nil as the remaining value.				Calculated on a straight-line basis, with the useful life as the lease term and nil as the remaining value.			
2. Operating lease transactions				2. Operating lease transactions			
(As lessee)				(As lessee)			
Future lease payments payable				Future lease payments payable			
Due within 1 year 70,524 thousand yen				Due within 1 year 140,076 thousand yen			
Due after 1 year 1,528,020 thousand yen				Due after 1 year 3,069,270 thousand yen			
Total 1,598,544 thousand yen				Total 3,209,346 thousand yen			
Furthermore, estimated amounts are used for transactions in which the lease amount is not finalized.				Furthermore, estimated amounts are used for transactions in which the lease amount is not finalized.			
(As lessor)				(As lessor)			
Future lease payments receivable				Future lease payments receivable			
Due within 1 year 3,532,539 thousand yen				Due within 1 year 2,797,456 thousand yen			
Due after 1 year 4,850,352 thousand yen				Due after 1 year 4,348,437 thousand yen			
Total 8,382,892 thousand yen				Total 7,145,894 thousand yen			

Notes on Financial Instruments

2nd Fiscal Period (from February 1, 2011 to July 31, 2011)

1. Matters concerning status of financial instruments

(1) Policy for financial instruments usage

ADR procures funds through debt financing, issuance of investment corporation bonds (including short-term investment corporation bonds), and other means of finance such as issuance of units, upon the purchase of properties, repayment of debt, etc. for the purpose of securing stable earnings and steady growth of assets under management.

ADR will use derivatives only when it is for the purpose of hedging the risk of interest rate fluctuations and other risks arising from liabilities.

In addition, surplus funds will, in principal only be invested in secure and stable financial instruments such as, deposits, savings and negotiable deposits.

(2) Description of financial instruments and associated risks, and risk management structure

Use of the funds from debt financing and investment corporation bonds are primarily to fund the acquisition of properties, to repay existing debts or redeem existing investment corporation bonds. At the time of acquisition, repayment or redemption there are liquidity risks where we will not be able to find alternative financing means. ADR manages the risk by monthly reviewing of payment schedules to monitoring the cash positions, limits the risk by securing cash reserves, spreading out debt financing and redemption dates, diversifying the lending financial institutions, signing term loan commitment agreements, and procure funds through various other means such as issuance of units.

In addition, debt financing and investment corporation bonds with floating interest rates are exposed to the risk of interest rate fluctuations, but ADR limits the concerned risks by utilizing derivatives (interest rate swap transactions, etc.).

Deposits are exposed to the risk of failure of the financial institutions holding the deposits and other credit risks. ADR limits the risks by setting certain limits to the duration of deposits, by only depositing to financial institutions with higher credit ratings, and by diversifying the financial institutions holding the deposits.

(3) Supplementary explanation on fair value of financial instruments

The fair value of financial instruments, aside from values based on market price, may be based on reasonable calculations when there is no market price. The calculations of the fair values will be based on certain assumptions, therefore, if there are variations in the assumptions, the fair value may vary accordingly.

2. Fair values of financial instruments

The following are the book value and fair value as of July 31, 2011, and the difference between these amounts.

	Book value (thousand yen)	Fair value (thousand yen)	Difference (thousand yen)
(1) Cash and deposits	8,573,398	8,573,398	—
(2) Cash and deposits in trust	5,739,346	5,739,346	—
(3) Short-term investment securities	3,000,000	3,000,000	—
(4) Current portion of investment corporation bond	(27,000,000)	(27,019,467)	19,467
(5) Current portion of long-term loans payable	(51,594,701)	(51,602,350)	7,649
(6) Investment corporation bond	(19,500,000)	(19,554,850)	54,850
(7) Long-term loans payable	(88,544,511)	(88,992,512)	448,001

Notes 1. Items that are charged to liabilities are shown in parentheses ().

2. Method of calculation of fair value of financial instruments

(1) Cash and deposits; (2) Cash and deposits in trust

As these are settled within a short period of time, the fair value is approximately equal to book value and thus stated at that book value.

(3) Short-term investment securities

As these are negotiable deposits and settled within a short period of time, the fair value is approximately equal to book value and is thus stated at that book value.

(4) Short-term loans payable; (6) Investment corporation bond

The fair value of these is calculated based on the reference value quoted by Japan Securities Dealers Association. However, when there is no reference value, the fair value of these is calculated based on the present value found by discounting the sum total amount of principal and interest by the interest rate assumed as being applicable in the event of drawdown of a similar debt financing.

(5) Current portion of long-term loans payable; (7) Long-term loans payable

The fair value of these is calculated based on the present value found by discounting the sum total amount of principal and interest by the interest rate assumed as being applicable in the event of drawdown of a similar debt financing.

3. Amount of redemption of monetary claims and securities with maturities scheduled to be due after closing of accounts

(thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	8,573,398	—	—	—	—	—
Cash and deposits in trust	5,739,346	—	—	—	—	—
Short-term investment securities	3,000,000	—	—	—	—	—
Total	17,312,744	—	—	—	—	—

4. Amount of repayment of loans and investment corporation bonds scheduled to be due after closing of accounts

(thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Current portion of investment corporation bond	27,000,000	—	—	—	—	—
Current portion of long-term loans payable	51,594,701	—	—	—	—	—
Investment corporation bond	—	19,500,000	—	—	—	—
Long-term loans payable	—	35,812,200	24,205,215	5,748,195	9,032,572	13,746,329
Total	78,594,701	55,312,200	24,205,215	5,748,195	9,032,572	13,746,329

3rd Fiscal Period (from August 1, 2011 to January 31, 2012)

1. Matters concerning status of financial instruments

(1) Policy for financial instruments usage

ADR procures funds through debt financing, issuance of investment corporation bonds (including short-term investment corporation bonds), and other means of finance such as issuance of units, upon the purchase of properties, repayment of debt, etc. for the purpose of securing stable earnings and steady growth of assets under management.

ADR will use derivatives only when it is for the purpose of hedging the risk of interest rate fluctuations and other risks arising from liabilities.

In addition, surplus funds will, in principal only be invested in secure and stable financial instruments such as, deposits, savings and negotiable deposits.

(2) Description of financial instruments and associated risks, and risk management structure

Use of the funds from debt financing and investment corporation bonds are primarily to fund the acquisition of properties, to repay existing debts or redeem existing investment corporation bonds. At the time of acquisition, repayment or redemption there are liquidity risks where we will not be able to find alternative financing means. ADR manages the risk by monthly reviewing of payment schedules to monitoring the cash positions, limits the risk by securing cash reserves, spreading out debt financing and redemption dates, diversifying the lending financial institutions, signing term loan commitment agreements, and procure funds through various other means such as issuance of units.

In addition, debt financing and investment corporation bonds with floating interest rates are exposed to the risk of interest rate fluctuations, but ADR limits the concerned risks by utilizing derivatives (interest rate swap transactions, etc.).

Deposits are exposed to the risk of failure of the financial institutions holding the deposits and other credit risks. ADR limits the risks by setting certain limits to the duration of deposits, by only depositing to financial institutions with higher credit ratings, and by diversifying the financial institutions holding the deposits.

(3) Supplementary explanation on fair value of financial instruments

The fair value of financial instruments, aside from values based on market price, may be based on reasonable calculations when there is no market price. The calculations of the fair values will be based on certain assumptions, therefore, if there are variations in the assumptions, the fair value may vary accordingly.

2. Fair values of financial instruments

The following are the book value and fair value as of January 31, 2012, and the difference between these amounts.

	Book value (thousand yen)	Fair value (thousand yen)	Difference (thousand yen)
(1) Cash and deposits	9,165,380	9,165,380	—
(2) Cash and deposits in trust	5,844,046	5,844,046	—
(3) Short-term investment securities	2,000,000	2,000,000	—
(4) Short-term loans payable	[1,040,000]	[1,045,240]	5,240
(5) Current portion of investment corporation bond	[31,500,000]	[31,553,090]	53,090
(6) Current portion of long-term loans payable	[40,505,729]	[40,692,745]	187,016
(7) Investment corporation bond	[10,000,000]	[10,004,400]	4,400
(8) Long-term loans payable	[111,956,450]	[113,114,402]	1,157,952
(9) Derivative transactions (Note 2)	—	-268,495	-268,495

Notes 1. Items that are charged to liabilities are shown in parentheses ().

2. Special provisions for interest rate swaps based on the "Accounting Standard for Financial Instruments" (issued by the Accounting Standards Board of Japan (ASBJ) on March 10, 2008; ASBJ Statement No. 10) apply and thus no valuation of fair value is made on balance sheets.

3. Method of calculation of fair value of financial instruments

(1) Cash and deposits; (2) Cash and deposits in trust

As these are settled within a short period of time, the fair value is approximately equal to book value and thus stated at that book value.

(3) Short-term investment securities

As these are negotiable deposits and settled within a short period of time, the fair value is approximately equal to book value and is thus stated at that book value.

(4) Short-term loans payable; (6) Investment corporation bond

The fair value of these is calculated based on the reference value quoted by Japan Securities Dealers Association. However, when there is no reference value, the fair value of these is calculated based on the present value found by discounting the sum total amount of principal and interest by the interest rate assumed as being applicable in the event of drawdown of a similar debt financing.

(5) Current portion of long-term loans payable; (7) Long-term loans payable

The fair value of these is calculated based on the present value found by discounting the sum total amount of principal and interest by the interest rate assumed as being applicable in the event of drawdown of a similar debt financing.

(9) Derivative transactions

(1) Transactions for which hedge accounting is not applied
Not applicable.

(2) Transactions for which hedge accounting is applied

The following is the contract amount or amount equivalent to the principal provided in the contract, etc. as of the closing of accounts for each method of hedge accounting.

(thousand Yen)

Method of hedge accounting	Type of derivative transactions	Main hedged item	Contract amount, etc. (*1)		Fair value (*2)
				Of which, exceeds 1 year	
Special provisions for interest rate swaps	Interest rate swap transaction Payable fixed; Receivable floating	Long-term loans payable	97,868,061	88,289,090	-268,495(*3)

(*1) The contract amount, etc. is based on notional principal.

(*2) The fair value is valued by the counterparty to the relevant transaction agreement at a value calculated based on the going rate of interest, etc.

(*3) Special provisions for interest rate swaps based on the "Accounting Standard for Financial Instruments" (issued by the Accounting Standards Board of Japan (ASBJ) on March 10, 2008; ASBJ Statement No. 10) apply and thus no valuation of fair value is made on balance sheets.

4. Financial instruments for which discerning of fair value is recognized to be extremely difficult

Investment securities, Silent partnership equity interests (carrying amount: 290,042 thousand yen) are not subject to disclosure of fair value because discerning of fair value is recognized to be extremely difficult due to there being no market price.

5. Amount of repayment of loans and investment corporation bonds scheduled to be due after closing of accounts

(thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	9,165,380	—	—	—	—	—
Cash and deposits in trust	5,844,046	—	—	—	—	—
Short-term investment securities	2,000,000	—	—	—	—	—
Total	17,009,427					

6. Amount of repayment of loans and investment corporation bonds scheduled to be due after closing of accounts

(thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Short-term loans payable	1,040,000	—	—	—	—	—
Current portion of investment corporation bond	31,500,000	—	—	—	—	—
Current portion of long-term loans payable	40,505,729	—	—	—	—	—
Investment corporation bond	—	—	—	—	8,000,000	2,000,000
Long-term loans payable	—	26,144,855	20,471,133	16,618,311	18,425,822	30,296,329
Total	73,045,729	26,144,855	20,471,133	16,618,311	26,425,822	32,296,329

Notes on Value of Rental Properties

2nd Fiscal Period (from February 1, 2011 to July 31, 2011)

ADR owns mainly residential rental properties in Tokyo and other regions. The following are the book value, amount of change during the period and fair value of the properties.

(thousand yen)

Book value (Note 1)			Period end fair value (Note 3)
Initial Balance	Amount of change during the period (Note 2)	Period end Balance	
335,149,517	-4,872,634	330,276,882	327,783,000

Notes 1. The book value is cost of acquisition less accumulated depreciation.

2. The amount of change during the period, is mainly attributable to increase from acquisition of 3 real estate (5,298,815 thousand yen) and 6 real estate beneficiary interests in trust (7,611,739 thousand yen), and to decrease from disposition of 2 real estate (2,108,263 thousand yen) and disposition of 11 real estate beneficiary interests in trust (13,090,695 thousand yen), from impairment of 5 properties (739,529 thousand yen) and posting of depreciation.

3. The period end fair value is the appraisal or valuation value by an outside real estate appraiser.

Please refer to aforementioned "Notes to Statements of Income" for the 2nd Fiscal Period operating income from property leasing.

3rd Fiscal Period (from August 1, 2011 to January 31, 2012)

ADR owns mainly residential rental properties in Tokyo and other regions. The following are the book value, amount of change during the period and fair value of the properties.

(thousand yen)

Book value (Note 1)			Period end fair value (Note 3)
Initial Balance	Amount of change during the period (Note 2)	Period end Balance	
330,276,882	7,439,324	337,716,207	338,028,100

Notes 1. The book value is cost of acquisition less accumulated depreciation.

2. The amount of change during the period, is mainly attributable to increase from acquisition of 4 real estate (7,988,962 thousand yen) and 2 real estate beneficiary interests in trust (5,499,150 thousand yen), and to decrease from disposition of 1 real estate (942,188 thousand yen) and disposition of 4 real estate beneficiary interests in trust (3,466,314 thousand yen), and posting of depreciation.

3. The period end fair value is the appraisal or valuation value by an outside real estate appraiser.

Please refer to aforementioned “Notes to Statements of Income” for the 3rd Fiscal Period operating income from property leasing.

Notes on Transactions with Related Parties

2nd Fiscal Period (from February 1, 2011 to July 31, 2011)

Classification	Name of company, etc.	Business description or occupation	Share of units, etc. held in ADR	Nature of transaction	Transaction amount (thousand yen)	Account	Balance at end of period (thousand yen)
Asset custodian	The Sumitomo Trust & Banking Co., Ltd.	Banking business and trust business	—	Borrowing (repayment) of funds (Note 2)	5,120,000 (4,207,035)	Short-term loans payable	—
						Current portion of long-term loans payable	7,327,970 (Note 1)
						Long-term loans payable	12,821,596 (Note 1)

Transaction terms and conditions, and policy on determining transaction terms and conditions

Notes 1. The transaction amount does not include consumption tax, etc.

2. Interest rates on the borrowings are reasonably determined based on market interest rates.

3rd Fiscal Period (from August 1, 2011 to January 31, 2012)

Classification	Name of company, etc.	Business description or occupation	Share of units, etc. held in ADR	Nature of transaction	Transaction amount (thousand yen)	Account	Balance at end of period (thousand yen)
Related party	ITOCHU Urban Community Ltd.	Real estate business	—	Entrustment of property management (Note 2)	548,740	Operating accounts payable	43,031 (Note 1)
Asset custodian	The Sumitomo Trust & Banking Co., Ltd.	Banking business and trust business	—	Borrowing (repayment) of funds (Note 4)	5,210,000 (3,374,685)	Short-term loans payable	320,000 (Note 3)
						Current portion of long-term loans payable	7,967,651 (Note 3)
						Long-term loans payable	13,697,230 (Note 3)

Transaction terms and conditions, and policy on determining transaction terms and conditions

Notes 1. The transaction amount includes consumption tax, etc.

2. Transaction terms and conditions were negotiated and decided based on market price.

3. The transaction amount does not include consumption tax, etc.

4. Interest rates on borrowings are reasonably determined based on market interest rates.

Notes on Per Unit Information

2 nd Fiscal Period		3 rd Fiscal Period	
From: February 1, 2011 To: July 31, 2011		From: August 1, 2011 To: January 31, 2012	
Net assets per unit	161,048 yen	Net assets per unit	160,640 yen
Earnings per unit	1,433 yen	Earnings per unit	4,079 yen
The net income per unit was calculated by dividing net income by the daily weighted average number of units issued and outstanding. The diluted net income per unit is not stated as there are no diluted units		The net income per unit was calculated by dividing net income by the daily weighted average number of units issued and outstanding. The diluted net income per unit is not stated as there are no diluted units	

(Note) The following number is used to calculate the earnings per unit.

	2 nd Fiscal Period	3 rd Fiscal Period
	From: February 1, 2011 To: July 31, 2011	From: August 1, 2011 To: January 31, 2012
Net income (thousand yen)	1,404,952	3,997,454
Amount not attributable to common unitholders (thousand yen)	–	–
Net income attributable to common units (thousand yen)	1,404,952	3,997,454
Average number of units during the period (units)	980,000	980,000

Significant Subsequent Events

2 nd Fiscal Period	3 rd Fiscal Period
From: February 1, 2011 To: July 31, 2011	From: August 1, 2011 To: January 31, 2012
<p>1 Acquisition of Assets</p> <p>ADR acquired the following assets in accordance with the basic policy for asset management, etc. provided in ADR's Articles of Incorporation.</p> <p>(1) RESIDIA TOWER Nakameguro</p> <p>Type of asset: Real estate</p> <p>Acquisition price: 3,300 million yen</p> <p>Acquisition date: August 31, 2011</p> <p>Location: 2-15-1 Kami-meguro, Meguro-ku, Tokyo</p> <p>Area: (Land) 1,143.05m²; (Building) 5,594.51m²</p> <p>Structure: RC with flat roof; B1F/19F</p> <p>Completion date: March 2007</p> <p>(2) RESIDIA Tsukishima III</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 2,570 million yen</p> <p>Acquisition date: August 31, 2011</p> <p>Location: 3-12-4 Tsukishima, Chuo-ku, Tokyo</p> <p>Area: (Land) 590.99m²; (Building) 3,286.47m²</p> <p>Structure: SRC with flat roof; 12F</p> <p>Completion date: February 2008</p> <p>(3) RESIDIA Edobori</p> <p>Type of asset: Real estate</p> <p>Acquisition price: 1,400 million yen</p> <p>Acquisition date: September 1, 2011</p> <p>Location: 2-2-5 Edobori, Nishi-ku, Osaka-shi, Osaka</p> <p>Area: (Land) 489.57m²; (Building) 3,638.90m²</p> <p>Structure: RC with flat roof; 14F</p> <p>Completion date: February 2007</p>	<p>1 Acquisition of Assets</p> <p>ADR acquired the following assets in accordance with the basic policy for asset management, etc. provided in ADR's Articles of Incorporation.</p> <p>(1) RESIDIA Sasazuka II</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 3,760 million yen</p> <p>Acquisition date: February 24, 2012</p> <p>Location: 2-25-6 Sasazuka, Shibuya-ku, Tokyo</p> <p>Area: (Land) 1,217.79m²; (Building) 5,504.20m²</p> <p>Structure: RC with flat roof; 15F</p> <p>Completion date: January 2011</p> <p>(2) RESIDIA Monzennakacho</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 970 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 2-36-4 Eitai, Koto-ku, Tokyo</p> <p>Area: (Land) 367.12m²; (Building) 1,680.27m²</p> <p>Structure: SRC with flat roof; 11F</p> <p>Completion date: February 2005</p> <p>(3) RESIDIA Nakamurabashi</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 1,075 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 3-14-6 Nakamura, Nerima-ku, Tokyo</p> <p>Area: (Land) 527.96m²; (Building) 1,639.30m²</p> <p>Structure: RC with flat roof; 8F</p> <p>Completion date: February 2008</p>

2 nd Fiscal Period From: February 1, 2011 To: July 31, 2011	3 rd Fiscal Period From: August 1, 2011 To: January 31, 2012
<p>(4) RESIDIA Minamisenjyu</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 2,580 million yen</p> <p>Acquisition date: September 1, 2011</p> <p>Location: 3-41-6 Minami-senjyu, Arakawa-ku, Tokyo</p> <p>Area: (Land) 4,813.00m²; (Building) 10,537.39m²</p> <p>Structure: RC with flat roof; 11F</p> <p>Completion date: March 2007</p>	<p>(4) RESIDIA Kachidoki</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 1,805 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 4-2-11 Kachidoki, Chuo-ku, Tokyo</p> <p>Area: (Land) 403.46m²; (Building) 3,447.18m²</p> <p>Structure: RC with flat roof; B1F/12F</p> <p>Completion date: February 2008</p>
<p>(Note) The acquisition price is each exclusive of the amount of reimbursement of the pro rata portion of the amount equivalent to real property tax, urban planning tax and depreciable asset tax, as well as consumption tax and local consumption tax.</p>	<p>(5) RESIDIA Kinshicho III</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 651 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 1-6-14 Mouri, Koto-ku, Tokyo</p> <p>Area: (Land) 375.75m²; (Building) 1,412.90m²</p> <p>Structure: RC with flat roof; 8F</p> <p>Completion date: February 2005</p> <p>(6) RESIDIA Minami-Gyotoku</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 823 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 2-7-18 Ainokawa, Ichikawa-shi, Chiba</p> <p>Area: (Land) 941.00m²; (Building) 2,258.62m²</p> <p>Structure: RC with flat roof; 5F</p> <p>Completion date: February 2005</p> <p>(7) RESIDIA Urayasu II</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 802 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 2-22-7 Kitazakae, Urayasu-shi, Chiba</p> <p>Area: (Land) 901.00m²; (Building) 1,651.93m²</p> <p>Structure: RC with flat roof; 6F</p> <p>Completion date: February 2005</p> <p>(8) RESIDIA Gyotoku</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 761 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 4-13-22 Gyotoku-Ekimae, Ichikawa-shi, Chiba</p> <p>Area: (Land) 810.00m²; (Building) 1,756.33m²</p> <p>Structure: RC with flat roof; 6F</p> <p>Completion date: February 2005</p> <p>(9) RESIDIA Nishijin</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 2,380 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 4-6-12 Nishijin, Sawara-ku, Fukuoka-shi, Fukuoka</p> <p>Area: (Land) 1,944.05m²; (Building) 9,233.43m²</p> <p>Structure: RC with flat roof; 14F</p> <p>Completion date: January 2008</p>

2 nd Fiscal Period	3 rd Fiscal Period
From: February 1, 2011 To: July 31, 2011	From: August 1, 2011 To: January 31, 2012

- (10) RESIDIA Tsurumai
Type of asset: Real estate beneficiary interests in trust
Acquisition price: 1,206 million yen
Acquisition date: February 28, 2012
Location: 3-3-8 Chiyoda, Naka-ku, Nagoya-shi, Aichi
Area: (Land) 661.98m²; (Building) 3,389.13m²
Structure: RC with flat roof; 13F
Completion date: February 2008
- (11) RESIDIA Kobe-Isogami
Type of asset: Real estate beneficiary interests in trust
Acquisition price: 2,740 million yen
Acquisition date: February 28, 2012
Location: 3-1-20 Isogamidori, Chuo-ku, Kobe-shi, Hyogo
Area: (Land) 1,196.23m²; (Building) 7,438.91m²
Structure: RC with flat roof; B1F/15F
Completion date: March 2008
- (12) RESIDIA Bunkyo-Otowa II
Type of asset: Real estate beneficiary interests in trust
Acquisition price: 2,268 million yen
Acquisition date: February 29, 2012
Location: 2-11-15 Otowa, Bunkyo-ku, Tokyo
Area: (Land) 547.29m²; (Building) 4,110.90m²
Structure: RC, SRC with flat roof; B1F/11F
Completion date: February 2008
- (13) RESIDIA Ochanomizu
Type of asset: Real estate beneficiary interests in trust
Acquisition price: 2,090 million yen
Acquisition date: March 1, 2012
Location: 3-1-4 Yushima, Bunkyo-ku, Tokyo
Area: (Land) 553.55m²; (Building) 3,674.78m²
Structure: SRC, RC with flat roof; 17F
Completion date: September 2005
- (14) RESIDIA Omori
Type of asset: Real estate beneficiary interests in trust
Acquisition price: 1,150 million yen
Acquisition date: March 1, 2012
Location: 1-13-10 Omorikita, Ota-ku, Tokyo
Area: (Land) 317.47m²; (Building) 1,769.98m²
Structure: RC with flat roof; 14F
Completion date: March 2006
- (15) RESIDIA Esaka
Type of asset: Real estate beneficiary interests in trust
Acquisition price: 989 million yen
Acquisition date: March 1, 2012
Location: 1-14-25, Esaka-cho, Suita-shi, Osaka
Area: (Land) 570.00m²; (Building) 2,790.89m²
Structure: RC with flat roof; 13F
Completion date: July 2007

(Note) The acquisition price is each exclusive of the amount of reimbursement of the pro rata portion of the amount equivalent to real property tax, urban planning tax and depreciable asset tax, as well as consumption tax and local consumption tax.

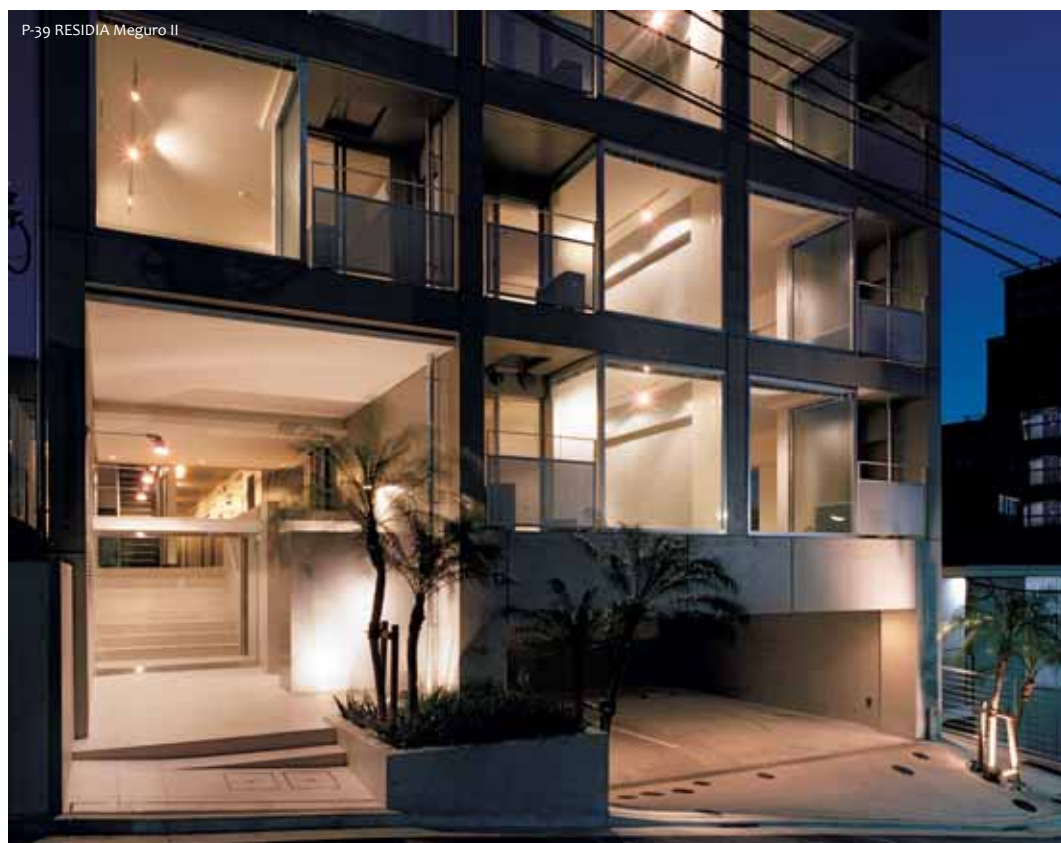
2nd Fiscal Period From: February 1, 2011 To: July 31, 2011	3rd Fiscal Period From: August 1, 2011 To: January 31, 2012
<p>2 Debt Financing ADR borrowed the following funds to fund the acquisition of the above real estate and real estate beneficiary interests in trust.</p> <p>(1) Long-term loan (term: 4 years and 4 months) Lender(s): Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd.</p> <p>Debt financing amount: 3,000 million yen</p> <p>Interest rate: 1.1600% (The borrowing interest rate that is, in effect, fixed by an interest rate swap agreement entered into for the purpose of fixing the interest rate is shown.)</p> <p>Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity</p> <p>Drawdown date: August 31, 2011 Repayment date: December 18, 2015</p> <p>(2) Long-term loan (term: 5 years and 5 months) Lender(s): Resona Bank, Limited Debt financing amount: 2,000 million yen Interest rate: 1.3075% (The borrowing interest rate that is, in effect, fixed by an interest rate swap agreement entered into for the purpose of fixing the interest rate is shown.)</p> <p>Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity</p> <p>Drawdown date: August 31, 2011 Repayment date: January 31, 2017</p> <p>(3) Long-term loan (term: 5 years and 5 months) Lender(s): The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Sumitomo Trust & Banking Co., Ltd.</p> <p>Debt financing amount: 1,500 million yen Interest rate: 1.3075% (The borrowing interest rate that is, in effect, fixed by an interest rate swap agreement entered into for the purpose of fixing the interest rate is shown.)</p> <p>Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity</p> <p>Drawdown date: September 1, 2011 Repayment date: January 31, 2017</p>	<p>2 Debt Financing ADR borrowed the following funds to fund the acquisition of the above real estate beneficiary interests in trust and redemption of investment corporation bonds.</p> <p>(1) Short-term loan (term: 1 year) Lender(s): The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Sumitomo Trust & Banking Co., Ltd. Sumitomo Mitsui Banking Corporation Mizuho Corporate Bank, Ltd.</p> <p>Debt financing amount: 3,400 million yen</p> <p>Interest rate: Base rate (JBA 1-month Japanese Yen TIBOR) + 1.05%</p> <p>Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity</p> <p>Drawdown date: February 8, 2012 Repayment date: February 8, 2013</p> <p>(2) Long-term loan (term: 3 years and 6 months) Lender(s): Mizuho Trust & Banking Co., Ltd. Debt financing amount: 1,000 million yen Interest rate: Base rate (JBA 1-month Japanese Yen TIBOR) + 0.57%</p> <p>Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity</p> <p>Drawdown date: February 8, 2012 Repayment date: July 31, 2015</p> <p>(3) Long-term loan (term: 3 years and 6 months) Lender(s): The Yamaguchi Bank, Ltd. The Tokyo Tomin Bank, Ltd. The Iyo Bank, Ltd.</p> <p>Debt financing amount: 1,300 million yen Interest rate: Base rate (JBA 3-month Japanese Yen TIBOR) + 0.57%</p> <p>Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity</p> <p>Drawdown date: February 8, 2012 Repayment date: July 31, 2015</p> <p>(4) Long-term loan (term: 4 years and 6 months) Lender(s): Resona Bank, Limited The Bank of Fukuoka, Ltd. The Yamaguchi Bank, Ltd. The Tokyo Tomin Bank, Ltd. The Iyo Bank, Ltd.</p> <p>Debt financing amount: 4,300 million yen Interest rate: 1.1050% (The borrowing interest rate that is, in effect, fixed by an interest rate swap agreement entered into for the purpose of fixing the interest rate is shown.)</p> <p>Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity</p> <p>Drawdown date: February 8, 2012 Repayment date: July 29, 2016</p>

2 nd Fiscal Period	3 rd Fiscal Period
From: February 1, 2011 To: July 31, 2011	From: August 1, 2011 To: January 31, 2012
	<p>(5) Long-term loan (term: 6 years and 6 months)</p> <p>Lender(s): The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Sumitomo Trust & Banking Co., Ltd. Shinsei Bank, Limited</p> <p>Debt financing amount: 2,000 million yen</p> <p>Interest rate: 1.4240% (The borrowing interest rate that is, in effect, fixed by an interest rate swap agreement entered into for the purpose of fixing the interest rate is shown.)</p> <p>Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity</p> <p>Drawdown date: February 8, 2012</p> <p>Repayment date: July 31, 2018</p> <p>(6) Short-term loan (term: 1 year)</p> <p>Lender(s): The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Sumitomo Trust & Banking Co., Ltd. Sumitomo Mitsui Banking Corporation Mizuho Corporate Bank, Ltd.</p> <p>Debt financing amount: 3,100 million yen</p> <p>Interest rate: Base rate (JBA 1-month Japanese Yen TIBOR) + 0.95%</p> <p>Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity</p> <p>Drawdown date: February 28, 2012</p> <p>Repayment date: February 28, 2013</p> <p>(7) Long-term loan (term: 6 years)</p> <p>Lender(s): The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>Debt financing amount: 2,850 million yen</p> <p>Interest rate: 1.2325%</p> <p>Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity</p> <p>Drawdown date: February 28, 2012</p> <p>Repayment date: February 28, 2018</p> <p>(8) Short-term loan (term: 1 year)</p> <p>Lender(s): The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Sumitomo Trust & Banking Co., Ltd. Sumitomo Mitsui Banking Corporation Mizuho Corporate Bank, Ltd.</p> <p>Debt financing amount: 3,050 million yen</p> <p>Interest rate: Base rate (JBA 1-month Japanese Yen TIBOR) + 0.95%</p> <p>Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity</p> <p>Drawdown date: March 1, 2012</p> <p>Repayment date: February 28, 2013</p>

2nd Fiscal Period From: February 1, 2011 To: July 31, 2011	3rd Fiscal Period From: August 1, 2011 To: January 31, 2012
<p>3 Issuance of Investment Corporation Bonds</p> <p>ADR issued investment corporation bonds under the following terms and conditions on September 12, 2011 based on the “General resolution on issuance of investment corporation bonds” passed at a meeting of the board of directors of ADR held on July 29, 2011.</p> <p>(1) ADR Bond #13 (Unsecured) (with pari passu clause among specified investment corporation bonds)</p> <p>Total issue amount: 8,000 million yen</p> <p>Issue price: 100 yen per par value of 100 yen for each bond</p> <p>Coupon rate: 1.2700%</p> <p>Collateral/Guarantee: No collateral or guarantee</p> <p>Redemption date: The entire principal shall be redeemed on September 12, 2016. The bonds may be purchased and cancelled at any time on and after the date following the issue date unless otherwise stipulated by the depository.</p> <p>Coupon payment dates: March 12 and September 12 every year</p> <p>Use of funds: To fund the redemption of NRI Bond #9 (Unsecured) (10,000 million yen) due for redemption on September 13, 2011</p> <p>(2) ADR Bond #14 (Unsecured) (with pari passu clause among specified investment corporation bonds)</p> <p>Total issue amount: 2,000 million yen</p> <p>Issue price: 100 yen per par value of 100 yen for each bond</p> <p>Coupon rate: 1.6800%</p> <p>Collateral/Guarantee: No collateral or guarantee</p> <p>Redemption date: The entire principal shall be redeemed on September 12, 2018. The bonds may be purchased and cancelled at any time on and after the date following the issue date unless otherwise stipulated by the depository.</p> <p>Coupon payment dates: March 12 and September 12 every year</p> <p>Use of funds: To fund the redemption of NRI Bond #9 (Unsecured) (10,000 million yen) due for redemption on September 13, 2011</p>	<p>3 Issuance of New Units</p> <p>ADR passed a resolution on issuance of new units for the acquisition of real estate, (specified assets) and other purposes at a meeting of the board of directors of ADR held on January 12, 2012. Payments for the issuance of new units through public offering were completed on February 1, 2012 and payments for the issuance of new units by way of third-party allotment were completed on February 29, 2012.</p> <p>As a result, paid-in capital is 80,087,298,304 yen and the number of units issued and outstanding is 1,100,000 units.</p> <p>(Issuance of New Units through Public Offering (Primary Offering))</p> <p>Number of units issued: 110,000 units</p> <p>Issue price: 133,770 yen per unit</p> <p>Total issue price: 14,714,700,000 yen</p> <p>Issue amount (Underwriting amount): 129,379 yen per unit</p> <p>Total issue amount: 14,231,690,000 yen</p> <p>Payment deadline: February 1, 2012</p> <p>(Issuance of New Units by Way of Third-Party Allotment)</p> <p>Number of units issued: 10,000 units</p> <p>Issue amount: 129,379 yen per unit</p> <p>Total issue amount: 1,293,790,000 yen</p> <p>Application period (Application deadline): February 28, 2012</p> <p>Payment deadline: February 29, 2012</p> <p>Allottee: Mizuho Securities Co., Ltd.</p>

VI. Statements of Cash Distributions

	2 nd Fiscal Period	3 rd Fiscal Period
	From: February 1, 2011 To: July 31, 2011	From: August 1, 2011 To: January 31, 2012
I. Unappropriated retained earnings	1,404,952,043 yen	3,997,454,500 yen
II. Reversal of reserve for dividends	3,005,047,957 yen	412,545,500 yen
III. Amount of dividends	4,410,000,000 yen	4,410,000,000 yen
(Amount of dividends per unit)	(4,500 yen)	(4,500 yen)
IV. Retained earnings carried forward	0 yen	0 yen
Method of calculation of amount of dividends	<p>In accordance with the distribution policy provided in Article 32, Item 1 of ADR's Articles of Incorporation, dividends shall be in excess of an amount equivalent to 90% of the amount of ADR's earnings available for dividends as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In addition, in order to make stable dividend payouts into the future, ADR shall use reserve for dividends and absorb the impact on dividends in the event of loss on sales (impairment) of properties as well.</p> <p>Based on the policy above, ADR decided that the unappropriated retained earnings of 1,404,952,043 yen plus reversal of reserve for dividends of 3,005,047,957 yen to arrive at 4,410,000,000 yen will be distributed as dividends of earnings.</p> <p>ADR will not distribute cash in excess of earnings provided in Article 32, Item 2 of ADR's Articles of Incorporation.</p>	<p>In accordance with the distribution policy provided in Article 32, Item 1 of ADR's Articles of Incorporation, dividends shall be in excess of an amount equivalent to 90% of the amount of ADR's earnings available for dividends as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In addition, in order to make stable dividend payouts into the future, ADR shall use reserve for dividends and absorb the impact on dividends in the event of loss on sales (impairment) of properties as well.</p> <p>Based on the policy above, ADR decided that the unappropriated retained earnings of 3,997,454,500 yen plus reversal of reserve for dividends of 412,545,500 yen to arrive at 4,410,000,000 yen will be distributed as dividends of earnings.</p> <p>ADR will not distribute cash in excess of earnings provided in Article 32, Item 2 of ADR's Articles of Incorporation.</p>



This is a copy of the independent auditor's report issued originally for the Japanese statutory report, presenting the opinion that it presents fairly, in all material respects, the financial position and the results of operations for the period for which it was prepared.

独立監査人の監査報告書	
平成24年3月16日	
アドバンス・レジデンス投資法人	
役員 会 御中	
有限責任監査法人 トーマツ	
指定有限責任社員 業務執行社員	公認会計士 村木 隆司
指定有限責任社員 業務執行社員	公認会計士 野根 俊和
<p>当監査法人は、「投資信託及び投資法人に関する法律」第130条の規定に基づき、アドバンス・レジデンス投資法人の平成23年8月1日から平成24年1月31日までの第3期営業期間の計算書類、すなわち、貸借対照表、損益計算書、投資主資本等変動計算書及び注記表、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書（資産運用報告及びその附属明細書については、会計に関する部分に限る。以下同じ。）について監査を行った。なお、資産運用報告及びその附属明細書について監査の対象とした会計に関する部分は、資産運用報告及びその附属明細書に記載されている事項のうち会計帳簿の記録に基づく記載部分である。</p> <p>計算書類等に対する経営者の責任 経営者の責任は、法令及び規約並びに我が国において一般に公正妥当と認められる企業会計の基準に準拠して計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書を作成し適正に表示することにある。これには、不正又は誤謬による重要な虚偽表示のない計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書を作成し適正に表示するために経営者が必要と判断した内部統制を整備及び運用することが含まれる。</p> <p>監査人の責任 当監査法人の責任は、当監査法人が実施した監査に基づいて、独立の立場から計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書に対する意見を表明することにある。当監査法人は、我が国において一般に公正妥当と認められる監査の基準に準拠して監査を行った。監査の基礎は、当監査法人に計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書に重要な虚偽表示がないかどうかについて合理的な保証を得るために、監査計画を策定し、これに基づき監査を実施することを求めている。</p> <p>監査においては、計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書の金額及び開示について監査証拠を入手するための手続が実施される。監査手続は、当監査法人の判断により、不正又は誤謬による計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書の重要な虚偽表示のリスクの評価に基づいて選択及び適用される。監査の目的は、内部統制の有効性について意見表明するためのものではないが、当監査法人は、リスク評価の実施に際して、状況に応じた適切な監査手続を立案するために、計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書の作成と適正な表示に関連する内部統制を検討する。また、監査には、経営者が採用した会計方針及びその適用方法並びに経営者によって行われた見積りの評価も含め全体としての計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書の表示を検討することが含まれる。</p> <p>当監査法人は、意見表明の基礎となる十分かつ適切な監査証拠を入手したと判断している。</p> <p>監査意見 当監査法人は、上記の計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書が、法令及び規約並びに我が国において一般に公正妥当と認められる企業会計の基準に準拠して、当該計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書に係る期間の財産及び損益の状況をすべての重要な点において適正に表示しているものと認める。</p> <p>強調事項 重要な後発事象に記載されているとおり、投資法人は営業期間末日後に資産の取得、資金の借入れ及び新投資口の発行を行っている。 当該事項は、当監査法人の意見に影響を及ぼすものではない。</p> <p>利害関係 投資法人と当監査法人又は業務執行社員との間には、公認会計士法の規定により記載すべき利害関係はない。</p> <p style="text-align: right;">以上</p>	

Disclaimer

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The financial statements of Advance Residence Investment Corporation have been prepared in accordance with generally accepted accounting principles in Japan (Japanese GAAP), which may materially differ in certain respects from the generally accepted accounting principles of other jurisdictions.

This semiannual report contains forward-looking statements. These statements appear in a number of places in this semiannual report and include statements regarding the intent, belief, or current and future expectations of Advance Residence Investment Corporation or AD Investment Management Co., Ltd. with respect to its business, financial condition and results of operations. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “would,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” or the negative of these terms or other similar terminology. These statements are not guarantees of future performance and are subject to various risks and uncertainties. Actual results, performance or achievements, or those of the industries in which we operate, may differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. In addition, these forward-looking statements are necessarily dependent upon assumptions, estimates and data that may be incorrect or imprecise and involve known and unknown risks and uncertainties. Accordingly, readers of this document should not interpret the forward-looking statements included herein as predictions or representations of future events or circumstances.

Potential risks and uncertainties also include those identified and discussed in this document. Given these risks and uncertainties, readers of this document are cautioned not to place undue reliance on forward-looking statements, which are only valid as of the date of the information published herein. We disclaim any obligation to update or, except in the limited circumstances required by the Tokyo Stock Exchange, announce publicly any revisions to any of the forward-looking statements contained in these documents.

(Reference Information)
VIII. Statements of Cash Flows

(thousand yen)

	2 nd Fiscal Period	3 rd Fiscal Period
	From: February 1, 2011 To: July 31, 2011	From: August 1, 2011 To: January 31, 2012
Net cash provided by (used in) operating activities		
Income before income taxes	1,405,557	3,998,059
Depreciation and amortization	1,893,158	1,900,332
Impairment loss	739,529	–
Loss on disaster	60,008	–
Amortization of unit issuance expenses	5,732	5,732
Amortization of investment corporation bond issuance costs	6,176	8,741
Increase (decrease) in allowance for doubtful accounts	-9,031	-18,262
Interest income	-9,995	-9,848
Interest expenses	1,247,293	1,263,473
Interest expenses on investment corporation bonds	367,517	364,055
Decrease (increase) in operating accounts receivable	52,432	30,402
Decrease (increase) in consumption taxes refund receivable	–	-12,767
Decrease (increase) in prepaid expenses	-73,335	-6,352
Increase (decrease) in accrued consumption taxes	-37,379	-152,339
Increase (decrease) in operating accounts payable	10,153	-17,610
Increase (decrease) in accounts payable – other	-196,890	36,432
Increase (decrease) in accrued expenses	-26,966	13,387
Increase (decrease) in advances received	-14,161	-84,198
Loss on sales of property, plant and equipment	2,108,263	942,188
Loss on sales of property, plant and equipment in trust	13,090,695	3,466,314
Decrease (increase) in long-term prepaid expenses	-248,590	-65,827
Other, net	2,526	-2,074
Subtotal	20,372,691	11,659,838
Payments for loss on disaster	-29,199	-30,808
Interest income received	5,847	4,368
Interest expenses paid	-1,771,513	-1,731,697
Income taxes paid	-1,561	-405
Net cash provided by (used in) operating activities	18,576,263	9,901,294
Net cash provided by (used in) investing activities		
Payments into time deposits	-2,500,000	-3,000,000
Proceeds from withdrawal of time deposits	4,100,000	2,500,000
Purchase of short-term investment securities	-3,000,000	-2,000,000
Proceeds from sales of short-term investment securities	3,000,000	3,000,000
Purchase of property, plant and equipment	-5,305,641	-8,052,134
Purchase of property, plant and equipment in trust	-7,675,915	-5,481,268
Purchase of intangible assets in trust	–	-136,171
Proceeds from tenant leasehold and security deposits, net	1,411	40,520
Proceeds from tenant leasehold and security deposits in trust, net	5,762	15,389
Repayments of tenant leasehold and security deposits in trust	–	-186,869
Purchase of investment securities	–	-289,843
Repayments of long-term deposits received	-6,348	-6,348
Net cash provided by (used in) investing activities	-11,380,730	-13,596,725
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	7,660,000	4,420,000
Decrease in short-term loans payable	-8,560,000	-3,380,000
Proceeds from long-term loans payable	36,690,000	42,650,000
Repayment of long-term loans payable	-20,540,991	-30,327,033
Proceeds from issuance of investment corporation bonds	–	10,000,000
Redemption of investment corporation bonds	-15,000,000	-15,000,000
Payments for investment corporation bond issuance costs	–	-54,215
Dividends paid	-8,073,770	-4,416,638
Net cash provided by (used in) financing activities	-7,824,762	3,892,112
Net increase (decrease) in cash and cash equivalents	-629,228	196,682
Cash and cash equivalents at beginning of period	12,441,973	11,812,744
Cash and cash equivalents at end of period	*1 11,812,744	*1 12,009,427

Notes on Matters Concerning Significant Accounting Policies

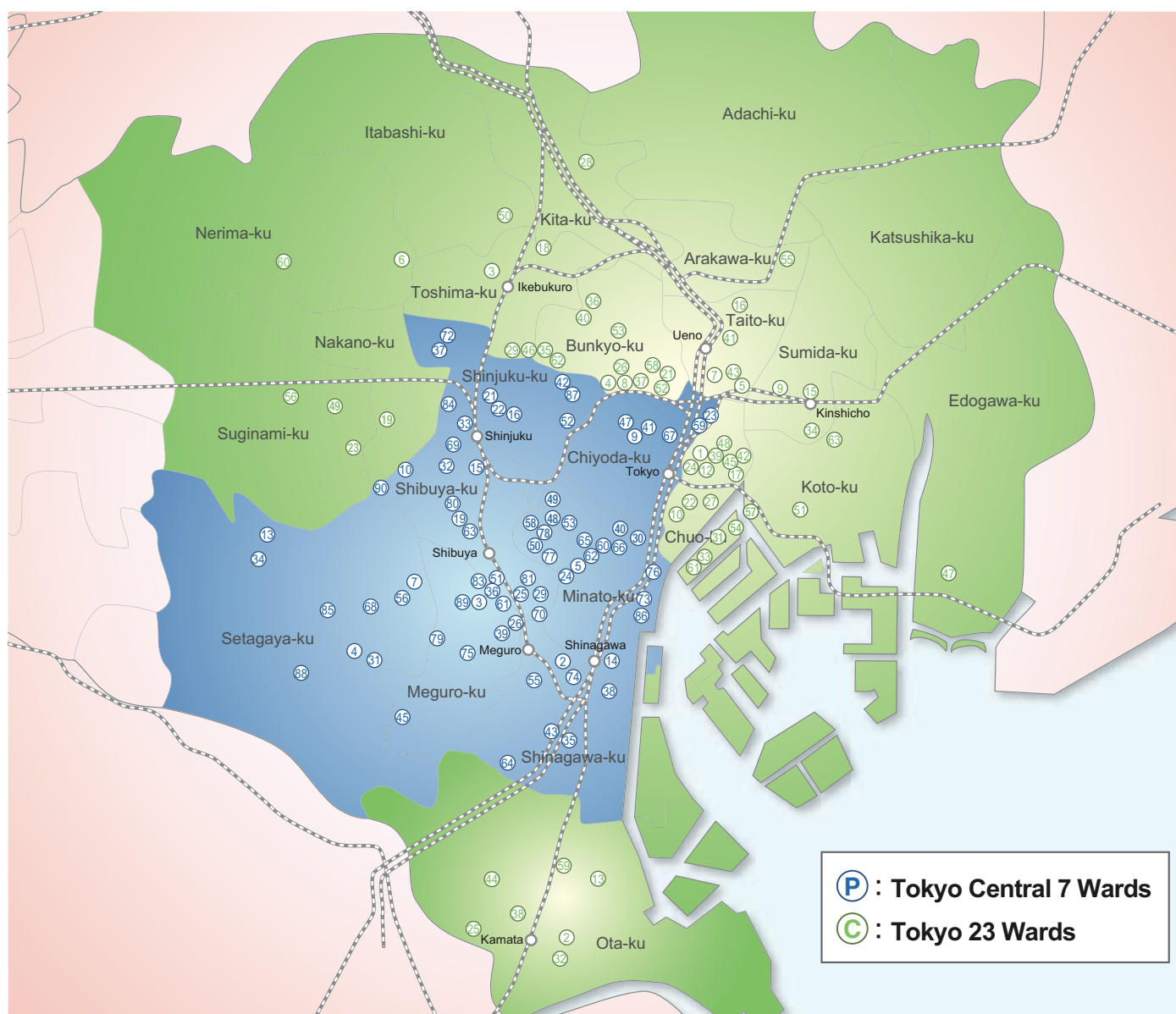
	2 nd Fiscal Period	3 rd Fiscal Period
	From: February 1, 2011 To: July 31, 2011	From: August 1, 2011 To: January 31, 2012
Scope of funds in statements of cash flows	The funds (cash and cash equivalents) in the statements of cash flows consist of cash on hand and cash in trust; deposits that can be withdrawn at any time and deposits in trust; and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of price fluctuation.	The funds (cash and cash equivalents) in the statements of cash flows consist of cash on hand and cash in trust; deposits that can be withdrawn at any time and deposits in trust; and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of price fluctuation.

Notes to Statements of Cash Flows

2 nd Fiscal Period		3 rd Fiscal Period	
From: February 1, 2011 To: July 31, 2011		From: August 1, 2011 To: January 31, 2012	
*1 Relationship between the cash and cash equivalents at end of period in the statements of cash flows and the amount of items listed on the balance sheets		*1 Relationship between the cash and cash equivalents at end of period in the statements of cash flows and the amount of items listed on the balance sheets	
	(thousand yen)		(thousand yen)
Cash and deposits	8,573,398	Cash and deposits	9,165,380
Cash and deposits in trust	5,739,346	Cash and deposits in trust	5,844,046
Time deposits with holding period over 3 months	-2,500,000	Time deposits with holding period over 3 months	-3,000,000
Cash and cash equivalents	<u>11,812,744</u>	Cash and cash equivalents	<u>12,009,427</u>



Portfolio Map

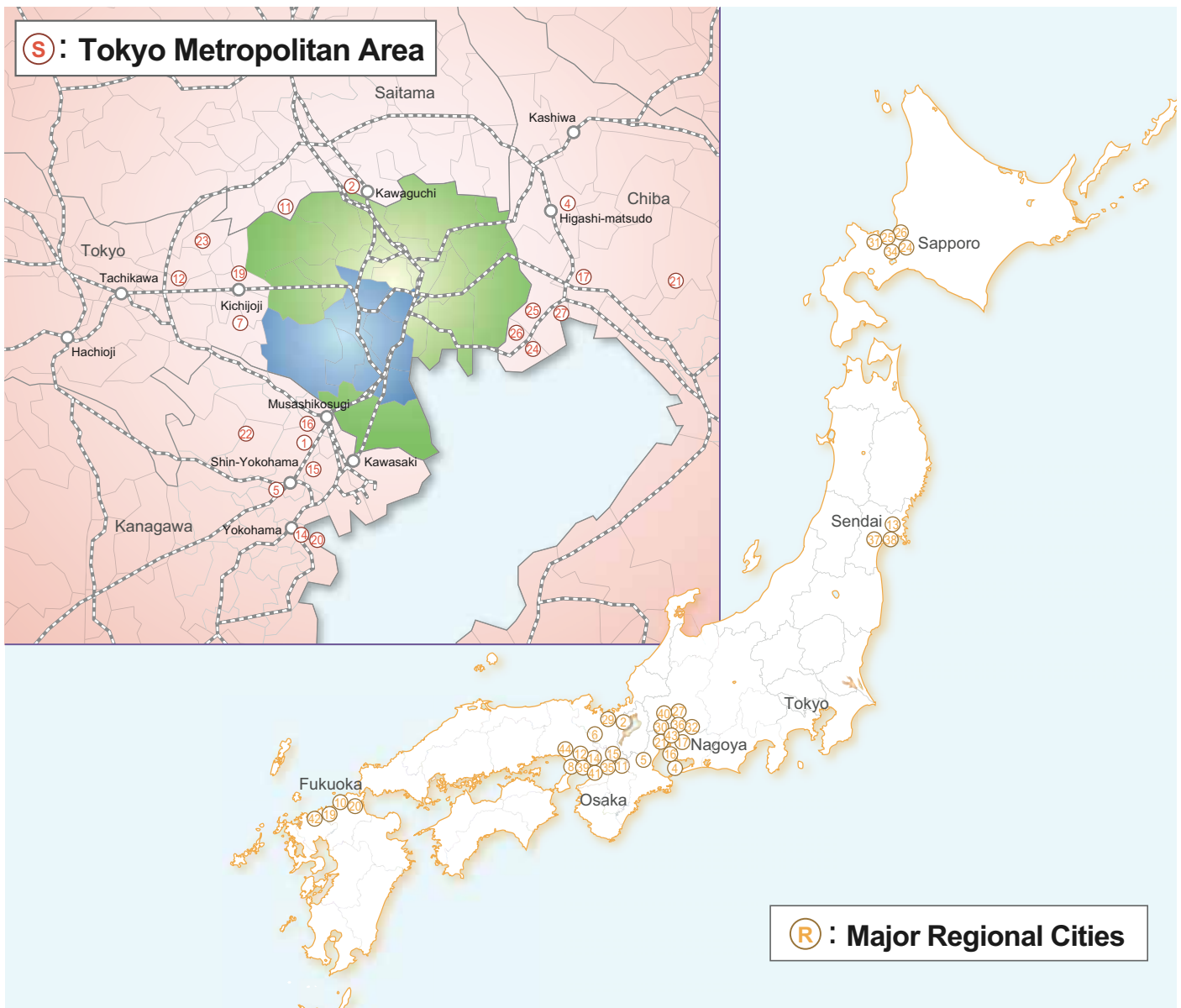


P-2 RESIDIA Shimazuyama
P-3 RESIDIA Nakameguro
P-4 RESIDIA Setagaya-Tsurumaki
P-5 RESIDIA Azabujuban
P-7 RESIDIA Ikejirihashi
P-9 RESIDIA Kudanshita
P-10 RESIDIA Hatagaya
P-13 RESIDIA Sakurajosui
P-14 RESIDIA Kita-Shinagawa
P-15 RESIDIA Yoyoginomori
P-16 RESIDIA Shinjuku-East III
P-19 Leoplace Udagawacho Mansion
P-21 RESIDIA Shinjuku-East II
P-22 RESIDIA Shinjuku-East
P-23 RESIDIA Kanda-Iwamotocho
P-24 RESIDIA Azabujuban II
P-25 RESIDIA Ebisu
P-26 RESIDIA Meguro
P-29 RESIDIA Hiroo II
P-30 Pianetta Shiodome
P-31 RESIDIA Komazawadaigaku
P-32 RESIDIA Yoyogi
P-33 RESIDIA Nishi-Shinjuku
P-34 RESIDIA Kyodo
P-35 RESIDIA Oimachi

P-36 RESIDIA Ebisu II
P-37 RESIDIA Kamiochiai
P-38 RESIDIA Higashi-Shinagawa
P-39 RESIDIA Meguro II
P-40 RESIDIA Toranomon
P-41 RESIDIA Shin-Ochanomizu
P-42 RESIDIA Kagurazaka
P-43 RESIDIA Oimachi II
P-45 RESIDIA Jiyugaoka
P-47 RESIDIA Suidobashi
P-48 RESIDIA TOWER Nogizaka
P-49 RESIDIA Akasaka
P-50 RESIDIA Nishi-Azabu
P-51 RESIDIA Daikanyama
P-52 RESIDIA Ichigaya
P-53 RESIDIA Roppongi-Hinokichokoen
P-55 RESIDIA TOWER Meguro-Fudomae
P-56 RESIDIA Sangenjaya
P-58 RESIDIA Minami-Aoyama
P-59 RESIDIA Kanda-Higashi
P-60 RESIDIA Higashi-Azabu
P-61 RESIDIA Ebisu-Minami
P-62 RESIDIA TOWER Azabujuban
P-63 RESIDIA Shibuya
P-64 RESIDIA Nakanobu

P-65 RESIDIA Azabudai
P-66 RESIDIA Shibadai II
P-67 RESIDIA Kanda
P-68 RESIDIA Sangenjaya II
P-69 RESIDIA Nishi-Shinjuku II
P-70 RESIDIA Hiroo-Minami
P-72 RESIDIA Mejiro-Otomeyama
P-73 RESIDIA Shibaura
P-74 RESIDIA Gotenyama
P-75 RESIDIA Yutenji
P-76 Park Tower Shibaura Bayward Urban Wing
P-77 Motoazabu Place
P-78 RESIDIA TOWER Roppongi
P-79 RESIDIA Kamimeguro
P-80 RESIDIA Yoyogikoen
P-81 Windsor House Hiroo
P-83 RESIDIA Daikanyama-Sarugakucho / Daikanyama Parkside Village
P-84 RESIDIA Kita-Shinjuku
P-85 RESIDIA Komazawa
P-86 RESIDIA Shibaura KAIGAN
P-87 RESIDIA Ichigaya-Yakuoji
P-88 RESIDIA Yoga
P-89 RESIDIA TOWER Nakameguro
P-90 RESIDIA Sasazuka II

C-1 RESIDIA Mitsukoshimae
C-2 RESIDIA Kamata
C-3 RESIDIA Ikebukuro
C-4 RESIDIA Bunkyo-Hongo
C-5 RESIDIA Asakusabashi
C-6 Maison Eclairée Ekoda
C-7 RESIDIA Ueno-Okachimachi
C-8 RESIDIA Bunkyo-Hongo II
C-9 RESIDIA Ryogoku
C-10 RESIDIA Higashi-Ginza
C-12 RESIDIA Nihonbashi-Ningyocho II
C-13 RESIDIA Omori-Higashi
C-15 RESIDIA Kinshicho
C-16 RESIDIA Negishi
C-17 RESIDIA Shinkawa
C-18 RESIDIA Kamiikebukuro
C-19 RESIDIA Shin-nakano
C-21 RESIDIA Bunkyo-Yushima II
C-22 RESIDIA Tsukiji
C-23 RESIDIA Sasazuka
C-24 RESIDIA Kyobashi
C-25 RESIDIA Tamagawa
C-26 RESIDIA Korakuen
C-27 RESIDIA Ginza-Higashi
C-28 RESIDIA Oji



C-29 RESIDIA Mejiro II
C-31 RESIDIA Tsukishima
C-32 RESIDIA Kamata II
C-33 RESIDIA Tsukishima II
C-34 RESIDIA Kinshicho II
C-35 RESIDIA Bunkyo-Otowa
C-36 RESIDIA Bunkyo-Sengoku
C-37 RESIDIA Bunkyo-Yushima
C-38 RESIDIA Ikegami
C-39 RESIDIA Nihonbashi-Ningyocho
C-40 RESIDIA Bunkyo-Sengoku II
C-41 RESIDIA Iriya
C-42 RESIDIA Nihonbashi-Hamacho
C-43 RESIDIA Shin-Okachimachi
C-44 RESIDIA Chidoricho
C-45 RESIDIA Shinkawa II
C-46 RESIDIA Mejiro
C-47 RESIDIA Kasai
C-48 RESIDIA Nihonbashi-Bakurocho
C-49 RESIDIA Suginami-Honanchō
C-50 RESIDIA Shin-Itabashi
C-51 RESIDIA Kiba
C-52 RESIDIA Bunkyo-Yushima III
C-53 RESIDIA Bunkyo-Honkomagome
C-54 RESIDIA Tsukishima III

C-55 RESIDIA Minamisenjyu
C-56 RESIDIA Ogikubo
C-57 RESIDIA Monzennakacho
C-58 RESIDIA Ochanomizu
C-59 RESIDIA Omori
C-60 RESIDIA Nakamurabashi
C-61 RESIDIA Kachidoki
C-62 RESIDIA Bunkyo-Otowa II
C-63 RESIDIA Kinshicho III
S-1 Hiyoshidai Student Heights
S-2 Chester House Kawaguchi
S-4 RESIDIA Higashi-Matsudo
S-5 RESIDIA Shin-Yokohama
S-7 RESIDIA Chofu
S-11 Wako Student Heights
S-12 RESIDIA Kokubunji
S-14 RESIDIA Yokohama-Kannai
S-15 RESIDIA Okurayama
S-16 RESIDIA Musashikosugi
S-17 RESIDIA Funabashi I and II
S-19 RESIDIA Kichijoji
S-20 Pacific Royal Court Minato Mirai Ocean Tower
S-21 Maison Yachiyodai
S-22 Life & Senior House Kohoku II

S-23 College Court Tanashi
S-24 RESIDIA Urayasu
S-25 RESIDIA Minami-Gyotoku
S-26 RESIDIA Urayasu II
S-27 RESIDIA Gyotoku
R-2 RESIDIA Imadegawa
R-4 RESIDIA Higashi-Sakura
R-5 RESIDIA Kameyama
R-6 Zeus Ryokuchi PREMIUM
R-8 RESIDIA Kobe Port Island
R-10 RESIDIA Hakata
R-11 RESIDIA Tenjinbashi
R-12 RESIDIA Sannomiya-Higashi
R-13 KC21 Building
R-14 RESIDIA Utubokoen
R-15 RESIDIA Kyoto-ekimae
R-16 RESIDIA Takaoka
R-17 RESIDIA Hibino
R-19 RESIDIA Tenjin-Minami
R-20 RESIDIA Hakataeki-Minami
R-21 Mare
R-24 RESIDIA Minami-Ichijo
R-25 RESIDIA Odori-Nishi
R-26 RESIDIA Kita-Sanjo
R-27 RESIDIA Shirakabe-Higashi

R-29 RESIDIA Uzumasa
R-30 RESIDIA Izumi
R-31 RESIDIA Maruyama Kita-Gojo
R-32 RESIDIA Tokugawa
R-34 RESIDIA Odori-Koen
R-35 RESIDIA Tanimachi
R-36 RESIDIA Hisaya-Odori
R-37 RESIDIA Sendai-Miyamachi
R-38 RESIDIA Hirose-dori
R-39 RESIDIA Edobori
R-40 RESIDIA Kyomachibori
R-41 RESIDIA Esaka
R-42 RESIDIA Nishijin
R-43 RESIDIA Tsurumai
R-44 RESIDIA Kobe-Isogami

Properties acquired after the end of the 3rd Fiscal Period (January 31, 2012)

Portfolio List

Investment region	Property No.	Name of real estate, etc.	Location (indication of residential address)	Acquisition price (million yen)	Leasable floor area (m ²)	Number of leasable residential units (residential units)	Construction completion date	Probable maximum loss (PML) (%)
Tokyo Central 7 Wards	P-2	RESIDIA Shimazuyama	Shinagawa-ku, Tokyo	2,860	3,474.37	115	December 2004	6.28
	P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	1,730	1,694.18	88	February 2005	2.66
	P-4	RESIDIA Setagaya-Tsurumaki	Setagaya-ku, Tokyo	1,229	1,769.67	28	March 2002	8.15
	P-5	RESIDIA Azabujuban	Minato-ku, Tokyo	1,987	1,986.76	44	November 1999	6.34
	P-7	RESIDIA Ikejirihashi	Setagaya-ku, Tokyo	1,230	1,423.38	42	August 2005	6.26
	P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	2,270	2,845.89	86	March 2004	6.26
	P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	1,130	1,129.72	35	February 2006	8.13
	P-13	RESIDIA Sakurajosui	Setagaya-ku, Tokyo	1,120	1,201.37	39	July 2006	5.11
	P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	2,720	2,897.99	120	February 2007	5.97
	P-15	RESIDIA Yoyoginomori	Shibuya-ku, Tokyo	732	723.10	22	March 2007	11.49
	P-16	RESIDIA Shinjuku-East III	Shinjuku-ku, Tokyo	750	818.74	39	February 2009	8.17
	P-19	LeoPalace Udagawacho Mansion	Shibuya-ku, Tokyo	588	623.80	30	August 2001	11.24
	P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	1,380	1,743.06	54	February 2004	7.86
	P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	941	1,219.08	48	August 2000	9.28
	P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	1,520	2,354.20	65	February 2004	7.13
	P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	874	1,018.71	37	February 2001	3.14
	P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	554	653.04	26	January 2001	3.95
	P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	722	701.01	20	October 1999	5.26
	P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	1,660	1,733.63	76	November 2005	2.82
	P-30	Pianetta Shiodome	Minato-ku, Tokyo	1,950	2,274.19	67	February 2005	5.47
	P-31	RESIDIA Komazawadaigaku	Setagaya-ku, Tokyo	333	488.51	18	October 2004	4.48
	P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	326	464.64	16	February 2005	2.87
	P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	363	478.57	19	February 2005	4.89
	P-34	RESIDIA Kyodo	Setagaya-ku, Tokyo	286	509.66	15	February 2005	3.86
	P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	947	1,249.56	48	December 2005	3.09
	P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	2,280	2,194.56	61	January 2006	6.34
	P-37	RESIDIA Kamiuchi	Shinjuku-ku, Tokyo	1,180	1,740.50	70	September 2006	7.83
	P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	2,040	2,588.01	122	August 2006	3.46
	P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	1,190	1,448.84	34	January 2006	9.52
	P-40	RESIDIA Toranomon	Minato-ku, Tokyo	1,320	1,353.41	63	September 2006	5.64
	P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	1,160	1,422.45	52	March 2006	9.08
	P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	918	1,182.34	52	August 2006	8.11
	P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	1,050	1,321.76	40	July 2007	3.86
	P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	1,050	1,435.93	28	March 2002	5.02
	P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	2,310	3,039.14	65	December 2004	4.39
	P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	3,660	3,485.00	68	August 2004	8.05
	P-49	RESIDIA Akasaka	Minato-ku, Tokyo	1,180	1,352.02	37	May 2004	12.33
	P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	6,780	7,078.64	125	July 2004	5.00
	P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	2,150	2,067.08	42	July 2004	4.98
	P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	2,500	3,003.34	85	August 2004	4.98
	P-53	RESIDIA Roppongi-Hinokichokoen	Minato-ku, Tokyo	3,570	4,803.29	88	September 1999	12.79
	P-55	RESIDIA TOWER Meguro-Fudomae	Shinagawa-ku, Tokyo	16,500	21,019.77	358	January 2007	3.29
	P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	2,760	2,847.19	78	January 2005	2.29
	P-58	RESIDIA Minami-Aoyama	Minato-ku, Tokyo	728	782.33	13	March 2005	5.22
	P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	1,620	2,544.25	64	October 2003	5.17
	P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	1,430	1,582.54	31	April 2006	8.45
	P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	2,020	2,023.88	39	March 2007	6.05
	P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	6,190	7,207.18	113	January 2003	1.57
	P-63	RESIDIA Shibuya	Shibuya-ku, Tokyo	1,250	1,285.42	40	June 2006	2.74
	P-64	RESIDIA Nakanobu	Shinagawa-ku, Tokyo	1,880	2,855.06	65	November 2005	5.91
	P-65	RESIDIA Azabudai	Minato-ku, Tokyo	1,610	1,732.06	47	February 2006	8.13
	P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	1,740	2,023.20	48	August 2006	4.98
	P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	1,140	1,534.57	43	June 2006	6.11
	P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	1,280	1,933.54	34	March 2006	5.93
	P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	1,830	2,478.31	74	May 2007	4.18
	P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	923	1,035.75	26	August 2007	3.63
	P-72	RESIDIA Mejiro-Otomeyama	Shinjuku-ku, Tokyo	974	1,679.94	19	December 2002	4.61
	P-73	RESIDIA Shibaura	Minato-ku, Tokyo	4,670	8,508.36	154	September 1991	6.28
	P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	930	1,228.15	16	January 2007	10.52
	P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	5,260	5,423.36	118	August 2006	7.56
	P-76	Park Tower Shibaura Bayward Urban Wing	Minato-ku, Tokyo	9,570	13,490.67	191	May 2005	3.72

Investment region	Property No.	Name of real estate, etc.	Location (indication of residential address)	Acquisition price (million yen)	Leasable floor area (m ²)	Number of leasable residential units (residential units)	Construction completion date	Probable maximum loss (PML) (%)
Tokyo Central 7 Wards	P-77	Motoazabu Place	Minato-ku, Tokyo	8,430	7,382.62	41	February 2001	6.03
	P-78	RESIDIA TOWER Roppongi	Minato-ku, Tokyo	7,040	5,978.20	83	February 2006	3.98
	P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	878	1,473.68	16	January 1993	6.74
	P-80	RESIDIA Yoyogikoen	Shibuya-ku, Tokyo	1,100	1,545.36	6	July 1998	7.34
	P-81	Windsor House Hiroo	Shibuya-ku, Tokyo	1,750	2,172.91	12	June 2003	12.25
	P-83	RESIDIA Daikanyama-Sarugakucho / Daikanyama Parkside Village	Shibuya-ku, Tokyo	7,360	5,977.18	77	January 1998	10.27
	P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	1,460	2,173.62	26	February 1997	12.06
	P-85	RESIDIA Komazawa	Setagaya-ku, Tokyo	870	1,182.47	59	October 2008	12.30
	P-86	RESIDIA Shibaura KAIGAN	Minato-ku, Tokyo	2,400	3,898.10	72	January 2010	5.43
	P-87	RESIDIA Ichigaya-Yakuoji	Shinjuku-ku, Tokyo	2,070	2,169.57	98	August 2008	6.76
	P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	1,523	1,996.81	66	June 2008	10.45
Tokyo 23 Wards	C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	1,920	2,552.07	105	February 2005	4.72
	C-2	RESIDIA Kamata	Ota-ku, Tokyo	2,640	4,110.54	166	March 2005	6.36
	C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	1,520	2,207.63	60	March 2005	7.86
	C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	1,680	2,165.35	65	July 2005	5.43
	C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	1,060	1,816.14	47	August 2005	4.27
	C-6	Maison Claire Ekoda	Nerima-ku, Tokyo	953	1,591.71	93	March 1993	3.29
	C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	3,160	4,009.27	127	February 2006	1.84
	C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	1,623	1,960.40	70	January 2006	5.37
	C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	913	1,378.84	48	February 2006	6.38
	C-10	RESIDIA Higashi-Ginza	Chuo-ku, Tokyo	5,251	4,871.02	169	September 2006	6.19
	C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	3,180	3,541.09	137	January 2007	5.35
	C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	1,980	1,928.71	81	August 2007	9.32
	C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	4,200	4,326.80	157	November 2007	6.24
	C-16	RESIDIA Negishi	Taito-ku, Tokyo	856	1,571.54	28	December 2005	6.01
	C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	1,880	2,764.70	83	February 2003	9.61
	C-18	RESIDIA Kamiikebukuro	Toshima-ku, Tokyo	558	979.04	44	December 2001	6.60
	C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	352	615.28	24	June 2002	3.60
	C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	1,010	1,368.01	63	March 2004	5.32
	C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	1,460	2,043.00	54	December 2005	4.21
	C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	1,800	2,855.98	96	March 2000	10.73
	C-24	RESIDIA Kyobashi	Chuo-ku, Tokyo	1,220	1,440.11	52	January 2005	6.03
	C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	1,300	2,137.41	98	September 2004	12.83
	C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	603	770.11	31	October 2004	7.67
	C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	2,000	2,824.17	94	September 2004	6.28
	C-28	RESIDIA Oji	Kita-ku, Tokyo	867	1,659.09	61	February 2005	7.15
	C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	1,050	1,450.16	63	July 2005	7.75
	C-31	RESIDIA Tsukishima	Chuo-ku, Tokyo	1,100	1,694.38	40	February 2006	6.64
	C-32	RESIDIA Kamata II	Ota-ku, Tokyo	1,360	1,929.24	78	September 2006	7.15
	C-33	RESIDIA Tsukishima II	Chuo-ku, Tokyo	2,440	3,074.47	105	September 2006	10.15
	C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	2,380	3,394.21	99	January 2008	5.15
	C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	3,380	5,970.11	104	August 2003	6.36
	C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	707	1,104.50	33	February 2003	6.58
	C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	1,050	1,623.62	39	February 2003	3.89
	C-38	RESIDIA Ikegami	Ota-ku, Tokyo	378	764.84	19	July 2003	6.80
	C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	557	848.24	25	March 2004	9.52
	C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	1,440	2,117.47	45	April 2005	6.44
	C-41	RESIDIA Iriya	Taito-ku, Tokyo	990	1,826.54	49	December 2004	3.77
	C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	1,310	1,915.92	45	August 2006	7.77
	C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	1,860	2,531.81	69	March 2007	6.64
	C-44	RESIDIA Chidoricho	Ota-ku, Tokyo	1,290	2,105.15	60	September 2006	7.48
	C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	1,320	2,119.34	36	February 2003	6.52
	C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	6,280	13,069.70	162	January 1999	2.69
	C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	683	2,177.89	29	January 2000	9.02
	C-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	5,500	8,502.12	132	February 2007	5.45
	C-49	RESIDIA Suginami-Honancho	Suginami-ku, Tokyo	3,834	6,953.96	194	February 2009	9.39
	C-50	RESIDIA Shin-Itabashi	Itabashi-ku, Tokyo	888	1,413.22	67	August 2009	11.28
	C-51	RESIDIA Kiba	Koto-ku, Tokyo	1,950	3,255	155	March 2008	6.17
	C-52	RESIDIA Bunkyo-Yushima III	Bunkyo-ku, Tokyo	1,129	1,296.27	52	December 2008	2.29
	C-53	RESIDIA Bunkyo-Honkomagome	Bunkyo-ku, Tokyo	2,340	3,488.24	98	March 2008	10.54

Investment region	Property No.	Name of real estate, etc.	Location (indication of residential address)	Acquisition price (million yen)	Leasable floor area (m ²)	Number of leasable residential units (residential units)	Construction completion date	Probable maximum loss (PML) (%)
Tokyo 23 Wards	C-54	RESIDIA Tsukishima III	Chuo-ku, Tokyo	2,570	3,152.45	119	March 2008	5.02
	C-55	RESIDIA Minamisenjyu	Arakawa-ku, Tokyo	2,580	10,097.88	175	March 2007	6.95
	C-56	RESIDIA Ogikubo	Suginami-ku, Tokyo	1,710	2,830.20	101	March 2003	8.45
Tokyo Metropolitan Area	S-1	Hiyoshidai Student Heights	Yokohama-shi, Kanagawa	3,420	8,552.00	920	March 1969	13.82
	S-2	Chester House Kawaguchi	Kawaguchi-shi, Saitama	770	2,023.11	39	March 1991	5.83
	S-4	RESIDIA Higashi-Matsudo	Matsudo-shi, Chiba	1,100	3,431.44	44	April 2007	10.04
	S-5	RESIDIA Shin-Yokohama	Yokohama-shi, Kanagawa	1,920	3,277.62	131	January 2007	11.52
	S-7	RESIDIA Chofu	Chofu-shi, Tokyo	1,143	1,750.49	41	March 2007	5.74
	S-11	Wako Student Heights	Wako-shi, Saitama	675	1,684.02	127	April 1990	13.18
	S-12	RESIDIA Kokubunji	Kokubunji-shi, Tokyo	518	879.44	33	February 2003	5.66
	S-14	RESIDIA Yokohama-Kannai	Yokohama-shi, Kanagawa	1,700	2,359.60	102	August 2004	13.55
	S-15	RESIDIA Okurayama	Yokohama-shi, Kanagawa	755	1,334.56	64	March 1998	13.79
	S-16	RESIDIA Musashikosugi	Kawasaki-shi, Kanagawa	1,580	2,560.40	68	February 2007	11.82
	S-17	RESIDIA Funabashi I	Funabashi-shi, Chiba	2,730	4,567.44	172	March 2007	8.58
		RESIDIA Funabashi II						9.33
	S-19	RESIDIA Kichijoji	Musashino-shi, Tokyo	1,380	2,214.73	48	March 1995	4.50
	S-20	Pacific Royal Court Minato Mirai Ocean Tower	Yokohama-shi, Kanagawa	14,000	26,082.53	416	November 2007	4.63
	S-21	Maison Yachiyodai	Yachiyo-shi, Chiba	882	3,506.54	39	August 1989	6.44
	S-22	Life & Senior House Kohoku II	Yokohama-shi, Kanagawa	1,670	5,433.40	78	October 2003	8.86
	S-23	College Court Tanashi	Nishi-Tokyo-shi, Tokyo	810	1,136.09	91	February 2010	10.16
	S-24	RESIDIA Urayasu	Urayasu-shi, Chiba	2,115	3,692.76	146	September 2009	8.28
Major Regional Cities	R-2	RESIDIA Imadegawa	Kyoto-shi, Kyoto	1,671	3,714.11	154	February 1999	12.61
	R-4	RESIDIA Higashi-Sakura	Nagoya-shi, Aichi	1,290	3,084.03	91	February 2006	13.43
	R-5	RESIDIA Kameyama	Kameyama-shi, Mie	1,610	6,065.11	182	February 2007	15.40
	R-6	Zeus Ryokuchi PREMIUM	Toyonaka-shi, Osaka	979	2,391.35	44	May 2007	10.47
	R-8	RESIDIA Kobe Port Island (South Bldg.; Centre Bldg.)	Kobe-shi, Hyogo	3,740	9,708.00	404	March 2007	10.89
		RESIDIA Kobe Port Island (North Bldg.)						11.47
	R-10	RESIDIA Hakata	Fukuoka-shi, Fukuoka	1,220	3,955.24	155	March 2002	1.42
	R-11	RESIDIA Tenjinbashi	Osaka-shi, Osaka	871	2,113.91	78	February 2000	8.58
	R-12	RESIDIA Sannomiya-Higashi	Kobe-shi, Hyogo	2,220	5,698.03	161	November 2005	5.47
	R-13	KC21 Building	Sendai-shi, Miyagi	900	2,716.11	79	March 1997	1.39
	R-14	RESIDIA Utubokoen	Osaka-shi, Osaka	1,170	2,741.46	94	January 2006	10.27
	R-15	RESIDIA Kyoto-ekimae	Kyoto-shi, Kyoto	1,970	4,010.85	116	February 2006	9.22
	R-16	RESIDIA Takaoka	Nagoya-shi, Aichi	2,330	5,944.56	198	August 2007	13.52
	R-17	RESIDIA Hibino	Nagoya-shi, Aichi	1,340	7,598.40	124	April 1992	11.76
	R-19	RESIDIA Tenjin-Minami	Fukuoka-shi, Fukuoka	936	3,179.96	56	January 2004	2.66
	R-20	RESIDIA Hakataeki-Minami	Fukuoka-shi, Fukuoka	324	1,606.29	39	January 2003	1.39
	R-21	Mare	Nagoya-shi, Aichi	685	1,930.70	38	February 2005	12.59
	R-24	RESIDIA Minami-Ichijo	Sapporo-shi, Hokkaido	1,640	5,928.51	179	December 2006	1.81
	R-25	RESIDIA Odori-Nishi	Sapporo-shi, Hokkaido	1,320	4,512.24	103	December 2006	2.12
	R-26	RESIDIA Kita-Sanjo	Sapporo-shi, Hokkaido	1,130	3,867.60	100	January 2007	2.63
	R-27	RESIDIA Shirakabe-Higashi	Nagoya-shi, Aichi	831	2,709.97	33	May 2005	13.35
	R-29	RESIDIA Uzumasa	Kyoto-shi, Kyoto	701	3,201.93	48	January 2000	7.17
	R-30	RESIDIA Izumi	Nagoya-shi, Aichi	3,700	9,715.22	122	November 2005	12.14
	R-31	RESIDIA Maruyama Kita-Gojo	Sapporo-shi, Hokkaido	1,050	3,920.00	56	February 2007	1.42
	R-32	RESIDIA Tokugawa	Nagoya-shi, Aichi	751	2,282.49	27	December 2006	12.55
	R-34	RESIDIA Odori-Koen	Sapporo-shi, Hokkaido	2,010	6,230.49	109	August 2007	1.39
	R-35	RESIDIA Tanimachi	Osaka-shi, Osaka	1,100	2,655.18	108	August 2008	10.08
	R-36	RESIDIA Hisaya-Odori	Nagoya-shi, Aichi	652	1,684.19	57	February 2007	13.97
	R-37	RESIDIA Sendai-Miyamachi	Sendai-shi, Miyagi	529	2,005.48	67	January 2008	3.07
	R-38	RESIDIA Hirose-dori	Sendai-shi, Miyagi	494	1,564.29	63	February 2010	2.69
	R-39	RESIDIA Edobori	Osaka-shi, Osaka	1,400	3,369.51	127	February 2007	12.38
	R-40	RESIDIA Kyomachibori	Osaka-shi, Osaka	1,000	2,398.90	84	March 2007	11.69
Total				341,821	543,333.54	14,527		5.05

- Notes 1. In the “Investment region” column, “Tokyo Central 7 Wards” indicates the Minato, Chiyoda, Shibuya, Shinjuku, Meguro, Setagaya and Shinagawa wards of Tokyo; “Tokyo 23 Wards” indicates the Tokyo 23 wards other than the Tokyo Central 7 Wards; “Tokyo Metropolitan Area” indicates Tokyo (excluding the Tokyo 23 wards) and Kanagawa, Saitama and Chiba prefectures; and “Major Regional Cities” indicates cabinet order designated and similar cities excluding cities in the Tokyo Metropolitan Area.
2. In the “Acquisition price” column, monetary amounts are rounded down to the nearest million yen. Accordingly, the sum total of the itemized figures does not necessarily add up to the “Total” amount entered in the foregoing table.

Asset Management Company Profile

Profile (as of January 31, 2012)

Name	AD Investment Management Co., Ltd.	
Address	Hitotsubashi SI Building 9F, 3-26 Kanda Nishiki-cho, Chiyoda-ku, Tokyo	
Officers	President	Kenji Kousaka
	Executive Director	Takeshi Takano
	Director	Hiromasa Yamamoto
	Director	Tomoyuki Kimura
	Director	Tatsuya Fukuzawa
	Director	Hiroshi Kawakami
	Director (non-executive)	Norio Matsu
	Director (non-executive)	Yoshinori Komoto
	Director (non-executive)	Koji Sugie
	Director (non-executive)	Nobuo Takahara
	Statutory Auditor	Masamitsu Hattori
	Statutory Auditor (non-executive)	Shoichi Suzuki
Paid-in capital	300 million yen	
Description of business	Investment management business	
Company history	Feb. 2, 2005	Established as Japan Residential Management Co., Ltd.
	Apr. 9, 2005	Obtained building lots and buildings transaction business license (Tokyo Governor License (2) No. 84325)
	May 17, 2005	Changed trade name to AD Investment Management Co., Ltd.
	June 23, 2005	Obtained discretionary transaction agent and other approval under Building Lots and Buildings Transaction Business Act (Minister of Land, Infrastructure, Transport and Tourism Approval No. 37)
	Sept. 8, 2005	Obtained investment trust settlor business approval under Act on Investment Trusts and Investment Corporations (Prime Minister Approval No. 49)
	Sept. 30, 2007	Registered as financial instruments business operator (Director-General of Kanto Local Finance Bureau (Kinsho) Registration No. 309)
	Mar. 1, 2010	Merged with Pacific Residential Corporation in absorption-type merger

Shareholder composition

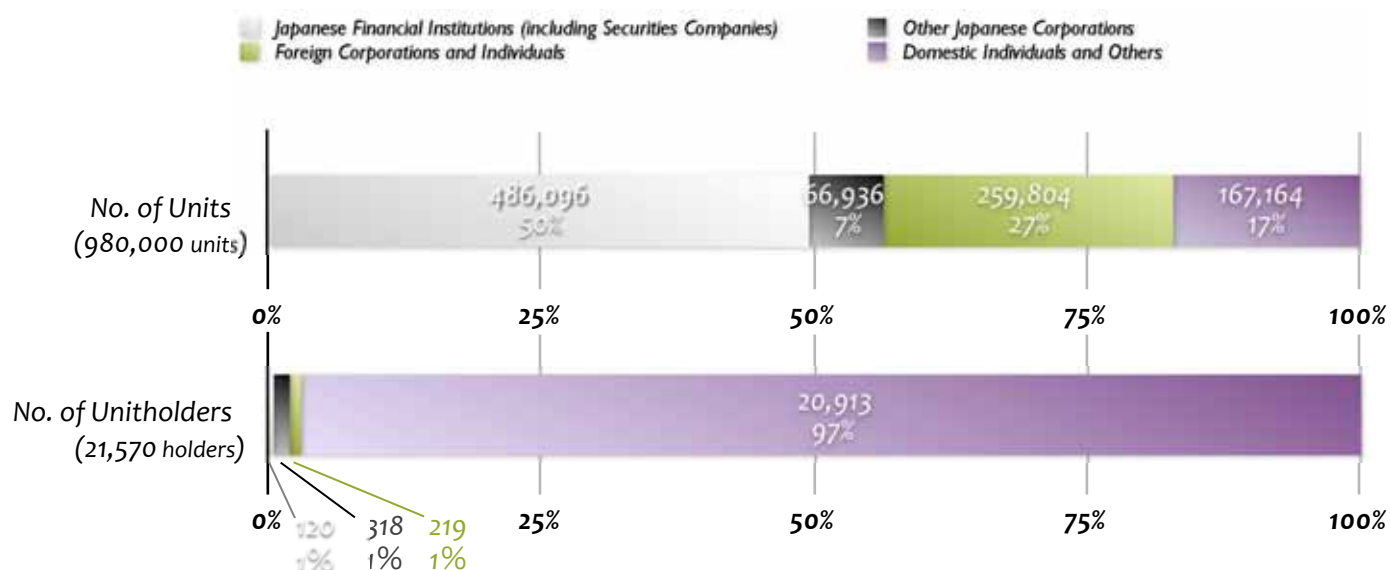
Name	Shareholding (shares)	% share
ITOCHU Corporation	2,880	46.6
ITOCHU Property Development, Ltd.	1,200	19.4
Nippon Tochi-Tatemono Co., Ltd.	1,200	19.4
Aozora Bank, Ltd.	180	2.9
The Sumitomo Trust & Banking Co., Ltd.	180	2.9
Mizuho Trust & Banking Co., Ltd.	180	2.9
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	180	2.9
Sumitomo Mitsui Banking Corporation	180	2.9
Total	6,180	100.0

(Note) “% share” in the table above is the shareholding (number of shares held) as a percentage of total number of shares issued and outstanding.

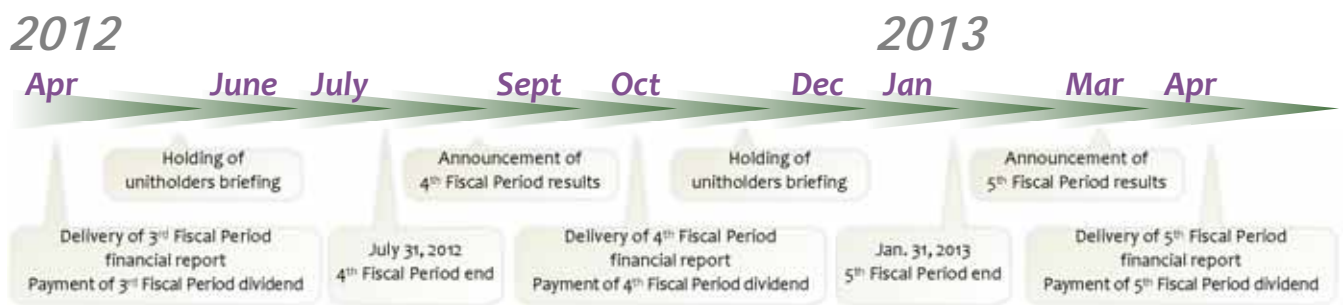
Unitholder Memo

Fiscal period end	January 31 and July 31 of every year
General meeting of unitholders	Held at least once every 2 years
Date for determining unitholders exercising voting rights at meeting	The date will be publicly notified in advance
Record date for determining dividend payments	January 31 and July 31 of every year (Dividends will be paid within 3 months of the record date for determining payments.)
Unit listing	Tokyo Stock Exchange (Securities Code: 3269)
Newspaper for public notice	The Nikkei
Transfer agent	Mizuho Trust & Banking Co., Ltd. 1-2-1 Yaesu, Chuo-ku, Tokyo
Business office of transfer Agent	Stock Transfer Agency Department, Main Office Mizuho Trust & Banking Co., Ltd. 1-2-1 Yaesu, Chuo-ku, Tokyo
Contact	Stock Transfer Agency Department Mizuho Trust & Banking Co., Ltd.
Mailing address	2-8-4 Izumi, Suginami-ku, Tokyo 168-8507
Phone	TEL: 0120-288-324 (toll free in Japan)

Unitholder Composition



Annual Schedule



Inquiries

Please direct any inquiries concerning ADR's units (address, name, dividend transfer account designation, changes, etc.), to your securities company at which you have opened the transfer account for units.

Dividends

Dividends can be collected by bringing the “unitholder dividend receipt” to your nearest Japan Post Bank main or branch office, sub-branch office or post office (bank agent) in Japan. If the collection period has elapsed, please make your collection by designating the collection method on the back of the “unitholder dividend receipt” and mailing it to Mizuho Trust & Banking’s Stock Transfer Agency Department or bringing it to a Mizuho Trust & Banking or Mizuho Investors Securities main or branch office. (Note: Depending on the office, when the payment processing does not take place on the premises, it may take a few days to collect.) If you wish to designate a bank transfer for future dividend payments, please contact your securities company.

Disclosures

ADR strives to provide information to unitholders in a transparent and timely manner by uploading an array of information and data on the ADR website, including documents that must be disclosed by law, press releases, information on business performance (kessan tanshin, presentation materials for analyst meetings, etc.) and information on portfolio assets. ADR will remain dedicated to providing easy to understand and timely information by continuing to increasingly enrich the content of the website.



